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DEPARTMENT OF STATE • UNITED STATES OF AMERICA

Foreign Relations of the United States, 1955–1957

Volume XXIII, Part 1

Japan

Editor in Chief John P. Glennon

Editor David W. Mabon

United States Government Printing Office
Washington
1991

H920-11

DEPARTMENT OF STATE PUBLICATION 9873
OFFICE OF THE HISTORIAN
BUREAU OF PUBLIC AFFAIRS

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

Preface

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. The volumes in the series include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States together with appropriate materials concerning the facts that contributed to the formulation of policies. Documents in the files of the Department of State are supplemented by papers from other government agencies involved in the formulation of foreign policy.

The basic documentary diplomatic record printed in the volumes of the series is edited by the Office of the Historian, Bureau of Public Affairs, Department of State. The editing is guided by the principles of historical objectivity and in accordance with the following official guidance first promulgated by Secretary of State Frank B. Kellogg on March 26, 1925:

> There may be no alteration of the text, no deletions without indicating the place in the text where the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:
>
> a. To avoid publication of matters that would tend to impede current diplomatic negotiations or other business.
>
> b. To condense the record and avoid repetition of needless details.
>
> c. To preserve the confidence reposed in the Department by individuals and by foreign governments.
>
> d. To avoid giving needless offense to other nationalities or individuals.
>
> e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification: in connection with major decisions it is desirable, where possible, to show the alternative presented to the Department before the decision was made.

Principles of Selection for Foreign Relations, 1955–1957, Volume XXIII, Part 1

In planning the overall scope of the *Foreign Relations* volumes for the 1955–1957 triennium, the editors chose to present the documentation on U.S. policy in East Asia in four separate volumes. Volume I is devoted entirely to the record of U.S. policy toward the civil war in Vietnam. Volume XXI presents the record of general U.S. policy toward East Asian security, including the Southeast Asia Treaty Association, and U.S. relations with Laos and Cambodia. Volume XXII documents U.S. relations with Burma, Indonesia, Philippines, Singapore and Malaya, and Thailand. Volume XXIII will be published in two parts; Part 2 covering U.S. relations with Korea will be published at a later date.

This volume, which was initially compiled in 1979, is intended to document major steps in the formulation of U.S. policies toward Japan and main issues in U.S. relations with the Japanese Government. The editors focused on documenting U.S. interest in maintaining its security relationship with Japan; U.S.-Japan relationships in military matters, particularly the financing, status, and behavior of U.S. troops in Japan; U.S. concerns regarding the Soviet-Japanese peace treaty negotiations; U.S. interest in the economic future of Japan; and U.S. policy with respect to the Bonin and Ryukyu islands.

President Eisenhower was frequently personally involved in the formulation of U.S. policy toward Japan. The editors made the most careful effort to utilize all materials available in the Dwight D. Eisenhower Presidential Library, including the memoranda of discussion at National Security Council meetings and other institutional NSC documents included in the Library's Whitman File. Documents from the Eisenhower Library constitute a major portion of the materials printed in this volume.

The Department of State and the Embassy in Tokyo played continuous and important roles in the policy process. Secretary of State John Foster Dulles made policy recommendations to the President, and he made significant decisions within the lines of established policies. He took a leading role in such matters as U.S. policy regarding the Soviet-Japanese peace treaty negotiations and the renegotiation of the U.S.-Japan Security Treaty. The Embassy made important recommendations regarding all the leading issues in U.S.-Japan relations, at times bringing about modifications of policies formulated in Washington.

The editors had complete access to all Department of State files including the central decimal files, the special subfiles of the Executive Secretariat, the various decentralized (lot) files originally maintained at the Bureau, office, or division level, and the Embassy files as retired to the Washington National Records Center of the National Archives and Records Administration.

The Department of Defense and the Joint Chiefs of Staff were closely involved in such issues as the determination of the balance between U.S. and Japanese funding of U.S. forces in Japan, questions of criminal jurisdiction such as the Girard case, the U.S. attitude toward the pace and character of Japanese rearmament, and modification of the U.S.-Japan Security Treaty. The editors had access to the records of the Office of the Secretary of Defense (International Security Affairs), declassified files of the Joint Chiefs of Staff at the National Archives and Records Administration, other specified files of the Joint Chiefs of Staff as agreed upon request, and cable files at the U.S. Army Military History Institute.

The editors did not attempt to document U.S. intelligence operations or any significant relationship between foreign policy and intelligence. At the time this volume was prepared, limitations on access by official historians to relevant records made such research impractical. The editors did have access to National Intelligence Estimates and Special National Intelligence Estimates in the files of the Department of State's Bureau of Intelligence and Research and to the important intelligence documents at the Eisenhower Library, and some key intelligence analyses that contributed to major political or diplomatic actions are included in the volume.

Procedures for expanded access by Department historians to the records of the Central Intelligence Agency were being developed at the time this volume was ready for publication. The Department of State was not prepared to delay the publication of this volume pending the outcome of those developments, but does intend to release in subsequent publications of the *Foreign Relations* series, or in some other manner, significant declassified documentation obtained from the Central Intelligence Agency files.

A listing of the sources consulted in the preparation of this volume is on pages XI–XV.

The editors of the volume are confident that the documentation presented here accurately illuminates the main lines of U.S. policy toward Japan in 1955–1957. The declassification review process, outlined in more detail below, resulted in the withholding of about 9 percent of the material originally proposed for inclusion in this volume because the requirements of national security necessitated its continued classification and protection.

The editors wish to acknowledge the assistance of officials at the Dwight D. Eisenhower Presidential Library, in particular David Haight; the National Archives and Records Administration; the Department of Defense; and other specialized repositories who assisted in the collection of documents for this volume.

Editorial Methodology

The documents are presented chronologically according to Washington time. Incoming telegrams from U.S. missions are placed according to time of receipt in the Department of State or other receiving agency, rather than the time of transmission; memoranda of conversation are placed according to the time and date of the conversation, rather than the date the memorandum was drafted.

Editorial treatment of the documents published in the *Foreign Relations* series follows Office style guidelines, supplemented by guidance from the Editor in Chief and the chief technical editor. The source text is reproduced as exactly as possible, including marginalia or other notations, which are described in the footnotes. Obvious typographical errors are corrected, but other mistakes and omissions in the source text are corrected by bracketed insertions: a correction is set in italic type; an omission in roman type. Bracketed insertions are also used to indicate text that has been omitted because it deals with an unrelated subject (in roman type) or because it remained classified after the declassification review process (in italic type). The amount of material not declassified has been noted by indicating the number of lines or pages of source text that were omitted. All ellipses and brackets that appear in the source text are so identified by footnotes.

The first footnote to each document indicates the document's source, original classification, distribution, and drafting information. The source footnote also provides the background of important documents and policies and indicates if the President and/or his major policy advisers read it. Every effort has been made to determine if a document has been previously published and this information has been included in the source footnote. If two or more different accounts of a meeting or event are available and one or more is already declassified and published, the editors chose to print the still unpublished one and obtain its declassification.

Editorial notes and additional annotation summarize pertinent material not printed in this volume, indicate the location of additional documentary sources, provide references to important related documents printed in other volumes, describe key events, and summarize and provide citations to public statements that supplement and elucidate the printed documents. Information derived from memoirs and other first-hand accounts has been used when applicable to supplement the official record.

Declassification Review Procedures

Declassification review of the documents selected for publication was conducted by the Division of Historical Documents Review, Bureau of Diplomatic Security, Department of State. The review was made in accordance with the Freedom of Information Act, the Privacy Act, and the criteria established in Executive Order 12356 regarding:

1) military plans, weapons, or operations;
2) the vulnerabilities or capabilities of systems, installations, projects, or plans relating to the national security;
3) foreign government information;
4) intelligence activities (including special activities), or intelligence sources or methods;
5) foreign relations or foreign activities of the United States;
6) scientific, technological, or economic matters relating to national security;
7) U.S. Government programs for safeguarding nuclear materials or facilities;
8) cryptology; and
9) a confidential source.

Declassification decisions entailed concurrence of the appropriate geographic and functional bureaus in the Department of State, other concerned agencies of the U.S. Government, and appropriate foreign governments regarding documents of those governments. The principle guiding declassification review is to release as much information as is consistent with contemporary requirements of national security and sound foreign relations.

David W. Mabon prepared this volume under the supervision of former Editor in Chief John P. Glennon. Lynn Chase and Rosa D. Pace prepared the lists of sources, abbreviations, and names. Althea W. Robinson and Rita M. Baker performed the technical editing. Barbara A. Bacon of the Publishing Services Division (Paul M. Washington, Chief) oversaw production of the volume. Max Franke prepared the index.

William Z. Slany
The Historian
Bureau of Public Affairs

April 1991

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List of Unpublished Sources

Department of State

1. *Indexed Central Files.* The principal source for this volume was the indexed central files of the Department of State. The most important of these were the 600 (international relations) and 700 (internal political and national defense) files. Other files searched include 033 (official visits), 400 (trade relations), and 800 (economic) files. Many of the central file documents selected for this volume came from the following files:

033.9411: visits of Japanese officials to the United States
611.94: U.S.-Japanese relations
661.94: Soviet-Japanese relations
661.941: Soviet-Japanese peace treaty negotiations
694.0026: Japanese war crimes
711.551: U.S. military personnel
711.56394: U.S. bases in Japan
790.5: defense developments in the region of East Asia
794.00: Japanese political affairs and conditions
794.5: Japanese internal defense
794.56 and subfiles: Japanese military equipment
794.5-MSP: Mutual Security Program in Japan
794C.00: Ryukyu Islands (Okinawa) and Nampo Islands (Bonins)
794C.0221: territory in these islands occupied by U.S. military forces

2. *Lot Files.* Documents from the central files are supplemented by lot files of the Department, which are decentralized files created by operating areas. A list of the lot files used in or consulted for this volume follows:

Conference Files: Lot 59 D 95

> Collection of documentation on official visits by ranking foreign officials, and on major international conferences attended by the Secretary of State, for the years 1949–1955, as maintained by the Executive Secretariat.

Conference Files: Lot 60 D 627

> Collection of documentation on visits to the United States by ranking foreign officials, and on major international conferences attended by the Secretary of State for the years 1953–1955, as maintained by the Executive Secretariat.

Conference Files: Lot 63 D 123

> Collection of documentation on official visits by heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for the years 1955–1958, as maintained by the Executive Secretariat.

FE Files: Lot 56 D 679

Files maintained by the Bureau of Far Eastern Affairs for the year 1955, including country files, memoranda of conversation, and conference files.

FE Files: Lot 58 D 209

Files of the Deputy Assistant Secretary of State for Far Eastern Economic Affairs for the years 1954–1957.

FE Files: Lot 59 D 19

Files maintained by the Bureau of Far Eastern Affairs for the year 1957.

FE Conference Files: Lot 60 D 514

Files of conferences and meetings maintained by the Bureau of Far Eastern Affairs for the years 1956–1958.

FE/EA Files: Lot 66 D 225

Files relating to China, Japan, and Korea for the year 1964, with some files for the years 1954–1963, maintained by the Office of East Asian Affairs and its predecessors, the Office of Chinese Affairs and the Office of Northeast Asian Affairs.

G/PM Files: Lot 65 D 478

Files of the Secretary of State's Special Assistant for Atomic Energy Affairs for the years 1950–1961, subsequently maintained by the Office of Politico-Military Affairs.

INR Files: Lot 58 D 776

Country, subject, and administrative files relating to U.S. intelligence organizations and activities for the years 1945–1960, maintained by the Office of the Director of the Bureau of Intelligence and Research.

INR–NIE Files

Files retained by the Bureau of Intelligence and Research.

IO Files: Lot 60 D 113

Consolidated files of the Office of the Assistant Secretary of State for International Affairs for the years 1955–1957.

L Files

Files retained by the Office of the Legal Adviser.

OCB Files: Lot 61 D 385

Master set of administrative and country files of the Operations Coordinating Board for the years 1953–1960, maintained by the Operations Staff.

OCB Files: Lot 62 D 430

Master files of the Operations Coordinating Board for the years 1953–1960, maintained by the Executive Secretariat.

PPS Files: Lot 66 D 70

Subject, country, and chronological files of the Policy Planning Staff for the year 1955.

PPS Files: Lot 66 D 487

Subject, country, and chronological files and documents, drafts, and related correspondence of the Policy Planning Staff for the year 1956.

PPS Files: Lot 67 D 548

Subject, country, and chronological files of the Policy Planning Staff for the years 1957–1961.

Presidential Correspondence: Lot 66 D 204

Exchanges of correspondence between the President and heads of foreign governments for the years 1953–1964, maintained by the Executive Secretariat.

Presidential Memoranda of Conversation: Lot 66 D 149

Chronological record of cleared memoranda of conversations with foreign visitors for the years 1956–1964, maintained by the Executive Secretariat.

Secretary's Memoranda of Conversation: Lot 64 D 199

Chronological collection of the Secretary of State's memoranda of conversation for the years 1953–1960, maintained by the Executive Secretariat.

Secretary's Staff Meetings: Lot 63 D 75

Chronological collections of the minutes of the Secretary of State's Staff Meetings during the years 1952–1960, maintained by the Executive Secretariat.

S/P–NSC Files: Lot 61 D 167

Serial file of memoranda relating to National Security Council questions for the years 1950–1961, maintained by the Policy Planning Staff.

S/P–NSC Files: Lot 62 D 1

Serial and subject master file of National Security Council documents and correspondence for the years 1948–1961, maintained by the Policy Planning Staff.

S/PRS Files: Lot 77 D 11

Collection of record sets of volumes of Daily Press Briefings for the years 1922–1970, maintained by the Office of Press Relations.

S/S–NSC Files: Lot 63 D 351

Serial master file of National Security Council documents and correspondence, and related Department of State memoranda for the years 1947–1961, maintained by the Executive Secretariat.

S/S–NSC (Miscellaneous) Files: Lot 66 D 95

Administrative and miscellaneous National Security Council documentation, including NSC Records of Action, for the years 1947–1963, maintained by the Executive Secretariat.

State–JCS Meetings: Lot 61 D 417

Top Secret records of meetings between the Joint Chiefs of Staff and representatives of the Department of State for the years 1951–1959 and selected problem files on the Middle East for the years 1954–1956, maintained by the Executive Secretariat.

Tariff Negotiations Files: Lot 76 D 75

Memoranda to the President on GATT Tariff Conferences for the years 1948–1962, maintained by the Office of International Trade in the Bureau of Economic Affairs.

Tokyo Embassy Files: Lot 64 F 106

Classified and unclassified files for the years 1956–1958 of the Embassy in Tokyo.

UNP Files: Lot 58 D 742

Miscellaneous subject files of the Office of United Nations Political and Security Affairs for the years 1945–1957.

UNP Files: Lot 62 D 170

United Nations subject files for the years 1947–1960, maintained by the Office of United Nations Political and Security Affairs.

Department of Defense

Department of Defense Files

Documents received by the Office of the Historian from the Department of Defense by request.

JCS Files

Documents received by the Office of the Historian from the Organization of the Joint Chiefs of Staff by request.

Washington National Records Center, Suitland, Maryland

OASD/ISA Files: FRC 60 A 1025

Country files of the Office of the Assistant Secretary of Defense for International Security Affairs for the year 1955, with classifications up through Secret.

OASD/ISA Files: FRC 61 B 1672

Top Secret country files of the Office of the Assistant Secretary of Defense for International Security Affairs for the year 1957.

OASD/ISA Files: FRC 61 D 1672

Country files of the Office of the Assistant Secretary of Defense for International Security Affairs for the year 1957, with classifications up through Secret.

Dwight D. Eisenhower Library, Abilene, Kansas

Dulles Papers

Records of John Foster Dulles, 1952–1959, including General Memoranda of Conversation, Meetings with the President, General Telephone Conversations, and White House Telephone Conversations.

Hagerty Papers

Papers of James C. Hagerty, Press Secretary to the President, 1953–1961.

Herter Papers

Papers of Christian A. Herter, 1957–1961.

President's Daily Appointments

Records of the Office of the Special Assistant for Executive Appointments, 1952–1961, from the White House Office Files.

Staff Secretary Records

Records of the Office of the White House Staff Secretary, 1952–1961, including records of Paul T. Carroll, Andrew J. Goodpaster, L. Arthur Minnich, Jr., and Christopher H. Russell.

White House Central Files

Records of Dwight D. Eisenhower as President, 1953–1961. Documents cited in this volume are from the Confidential File within this collection.

Whitman File

Papers of Dwight D. Eisenhower as President of the United States, 1953–1961, maintained by his personal secretary, Ann C. Whitman. The Whitman File includes the following elements: the Name Series, the Dulles–Herter Series, Eisenhower (DDE) Diaries, Ann Whitman (ACW) Diaries, National Security Council Records, Miscellaneous Records, Cabinet Papers, Legislative Meetings, International Meetings, the Administration Series, and the International File.

National Archives and Records Administration, Washington, D.C.

JCS Records

Record Group 218, Records of the Joint Chiefs of Staff and the Chairman of the Joint Chiefs of Staff.

Princeton University Library, Princeton, New Jersey

Dulles Papers, Daily Appointments

Daily log of the meetings and appointments of Secretary of State John Foster Dulles for the years 1953–1959.

United States Army Military History Institute, Carlisle Barracks, Pennsylvania

Ridgway Papers

Papers of General Matthew B. Ridgway, Chief of Staff, U.S. Army, August 15, 1953–June 30, 1955.

Microfilm Cable Files

List of Abbreviations

AAA, anti-aircraft battery
AC&W, aircraft control and warning
AEC, Atomic Energy Commission
AFFE, Army Forces Far East
AG, Attorney General
ANZUS, Australia, New Zealand, and the United States (the ANZUS Pact nations)
ASDF, (Japanese) Air Self-Defense Forces
BOB, Bureau of the Budget
CA, Office of Chinese Affairs, Department of State
CAMG, civil affairs and military government
CF, Conference File
CHINCOM, China Committee, a permanent working group of the Paris Consultative Group of Nations working to control export of strategic goods to Communist nations
CIA, Central Intelligence Agency
CINCFE, Commander in Chief, Far East
CINCPAC, Commander in Chief, Pacific
CNO, Chief of Naval Operations
COCOM, Coordinating Committee of the Paris Consultative Group of nations working to control export of strategic goods to Communist nations
COMUS(J), Commander, United States Forces (Japan)
CPR, Chinese People's Republic
DA, Department of the Army
DDE, Dwight D. Eisenhower
DOD, Department of Defense
Dulte, series indicator for telegrams from Secretary of State Dulles while away from Washington
E, Bureau of Economic Affairs, Department of State
EAS, Department of State Executive Agreement Series
ECAFE, Economic Commission for Asia and the Far East
EE, Office of Eastern European Affairs, Department of State
EUR, Bureau of European Affairs, Department of State
FBI, Federal Bureau of Investigation
FCN, Friendship, Commerce and Navigation (Treaty)
FE, Bureau of Far Eastern Affairs, Department of State
FEAF, Far East Air Forces
FEC, Far East Command
FE/P, Public Affairs Officer, Bureau of Far Eastern Affairs
FOA, Foreign Operations Administration
G, Office of the Deputy Under Secretary of State
GARIOA, Government and Relief in Occupied Areas
GATT, General Agreement on Tariffs and Trade
GI, government issue (nickname for U.S. soldier)
GNP, Gross National Product
GOJ, Government of Japan
GRI, Government of the Ryukyu Islands
IAC, Intelligence Advisory Committee
IBRD, International Bank for Reconstruction and Development
ICA, International Cooperation Administration
ICBM, intercontinental ballistic missile
IMF, International Monetary Fund
IMPTFE, International Military Tribunal, Far East
IO, Bureau of International Organization Affairs, Department of State
ISA, Office of International Security Affairs, Department of Defense
JCS, Joint Chiefs of Staff
JDA, Japanese Defense Agency
JFY, Japanese Fiscal Year
JSDF, Japanese Self-Defense Forces
KIV, Kishi visit
L, Legal Adviser, Department of State
LDP, Liberal Democratic Party (Japan)

L/FE, Legal Adviser for Far Eastern Affairs, Department of State

LSSL, landing ship support, large

MAAG-J, Military Assistance Advisory Group in Japan

MAP, Mutual Assistance Program

MATS, Military Air Transport Service

MC, memorandum of conversation

MDA, Mutual Defense Assistance

MDAP, Mutual Defense Assistance Program

MSDF, (Japanese) Maritime Self-Defense Forces

MSP, Mutual Security Program

NA, Office of Northeast Asian Affairs, Department of State

NATO, North Atlantic Treaty Organization

Niact, night action; communications indicator requiring attention by the recipient at any hour of the day or night

NIE, National Intelligence Estimate

NSC, National Secuirty Council

O, Office of the Deputy Under Secretary of State for Administration

OCB, Operations Coordinating Board

ODA, Office of Dependent Area Affairs, Department of State

OFD, Office of International Financial and Development Affairs, Department of State

OSP, offshore procurement

P, Bureau of Public Affairs, Department of State

P2V, type of U.S. Navy antisubmarine aircraft

RG, Record Group (of the National Archives and Records Administration)

ROK, Republic of Korea

RYCOM, Ryukyus Command

SC, United Nations Security Council

SEATO, Southeast Asia Treaty Organization

Secto, series indicator for telegrams from the Secretary of State (or his delegation) at international conferences

SG, Solicitor General

S/MSA, Special Assistant, Mutual Security Affairs, Department of State

SNIE, Special National Intelligence Estimate

S/P, Assistant Secretary of State for Policy Planning

S/S-RO, Reports and Operations Staff of the Executive Secretariat, Department of State

Stat., *U.S. Statutes at Large*

Tedul, series indicator for telegrams to Secretary of State Dulles while away from Washington

TIAS, Department of State Treaties and Other International Acts Series

Tosec, series indicator for telegrams to the Secretary of State (or his delegation) at international conferences

U, Office of the Under Secretary of State

U/MSA, Special Assistant for Mutual Security Affairs, Department of State

UN, United Nations

USARPAC, United States Army, Pacific

USCAR, United States Civil Administration of the Ryukyus

USFJ, United States Forces, Japan

USFY, United States Fiscal Year

USG, United States Government

USN, United States Navy

USOM, United States Operations Mission

UST, *United States Treaties*

WEU, Western European Union

List of Persons

Editor's Note: The identification of the persons on this list is generally limited to positions and circumstances under reference in this volume and is confined to the years 1955–1957. All titles and positions are American unless otherwise indicated. Where no dates are given, the individual usually held the position throughout the period covered by the volume.

Allen, George V., Assistant Secretary of State for Near Eastern, South Asian, and African Affairs to August 1957

Allison, John M., Ambassador to Japan to February 1957; thereafter Ambassador to Indonesia

Amory, Robert, Deputy Director for Intelligence, Central Intelligence Agency

Anderson, Dillon, Special Assistant to the President for National Security Affairs, April 1955–September 1956; White House Consultant from June 1957

Anderson, Robert B., Deputy Secretary of Defense to August 1955; Secretary of the Treasury from July 1957

Armstrong, W. Park, Jr., Special Assistant for Intelligence, Department of State, to May 1957

Asakai, Koichiro, Japanese Ambassador to the United States from June 1957

Baldwin, Charles F., Deputy Assistant Secretary of State for Far Eastern Economic Affairs to July 1955

Becker, Loftus E., Legal Adviser of the Department of State from June 1957

Bell, James D., Deputy Director of the Office of Philippine and Southeast Asian Affairs, Department of State, from July 1955; Director of the Office of Southwest Pacific Affairs

Benson, Ezra Taft, Secretary of Agriculture

Berding, Andrew H., Assistant Director for Policies and Programs of the United States Information Agency to March 1957; thereafter Assistant Secretary of State for Public Affairs

Bernau, Phyllis D., Personal Assistant to Secretary of State Dulles

Bohlen, Charles E., Ambassador to the Soviet Union to April 1957; Ambassador to the Philippines from June 1957

Bowie, Robert R., Director of the Policy Planning Staff, Department of State, to August 1955; Assistant Secretary of State for Policy Planning, August 1955–August 1957

Brownell, Herbert, Jr., Attorney General of the United States

Brucker, Wilber M., General Counsel, Department of Defense, to July 1955; thereafter Secretary of the Army

Burke, Admiral Arleigh A., USN, Chief of Naval Operations from August 1955

Chiang Kai-shek, Generalissimo, President of the Republic of China

Chiba, Koh, Director of the European and American Affairs Bureau, Japanese Foreign Office, from 1955

Chou En-lai, Premier and Foreign Minister of the People's Republic of China

Churchill, Sir Winston S., Prime Minister of the United Kingdom and First Lord of the Treasury to April 1955

Cutler, Robert, Special Assistant to the President for National Security Affairs to April 1955, and again from January 1957

Decker, General George H., USA, Commander in Chief, United Nations Command; Commander, United States Forces in Korea; and Commanding General, Eighth United States Army in Korea, from July 1957

Dillon, C. Douglas, Ambassador to France to January 1957; Deputy Under Secretary of State for Economic Affairs from March 1957

Dodge, Joseph M., Special Assistant to the President and Chairman of the Council on Foreign Economic Policy

Dulles, Allen W., Director of Central Intelligence

Dulles, John Foster, Secretary of State

Eisenhower, Dwight D., President of the United States

Finn, Richard B., Officer in Charge of Japanese Affairs, Department of State, to February 1956; thereafter Special Assistant to the Deputy Under Secretary of State for Political Affairs

Fujiyama, Aiichiro, Japanese Foreign Minister from July 1957

Funada, Naka, Director of the Japanese National Defense Agency, November 1955–December 1956

George, Walter F., Democratic Senator from George; Chairman of the Senate Foreign Relations Committee to January 1957

Gleason, S. Everett, Deputy Executive Secretary of the National Security Council

Goodpaster, Brigadier General Andrew J., USA, White House Staff Secretary

Gray, Gordon, Assistant Secretary of Defense for International Security Affairs, July 1955–February 1957; Director of the Office of Defense Mobilization from March 1957

Hagerty, James C., Press Secretary to the President

Hatayoma, Ichiro, Prime Minister of Japan to December 1956

Hemmendinger, Noel, Deputy Director of the Office of Northeast Asian Affairs, Department of State, from January 1955

Henderson, Loy W., Deputy Under Secretary of State for Administration from January 1955

Hensel, H. Struve, Assistant Secretary of Defense for International Security Affairs to July 1955

Herter, Christian A., Consultant to the Secretary of State, January–February 1957; thereafter Under Secretary of State and Chairman of the Operations Coordinating Board

Hollister, John B., Consultant to the Secretary of State, May–July 1955; thereafter Director of the International Cooperation Administration

Hoover, Herbert J., Under Secretary of State to February 1957

Horsey, Outerbridge, Minister and Counselor of Embassy in Japan from April 1956

Howe, Fisher, Director of the Executive Secretariat, Department of State, from March 1956

Hull, General John E., USA, Commander in Chief, United Nations Command; Commander in Chief, Far East; and Governor of the Ryukyu Islands to February 1955

Humphrey, George M., Secretary of the Treasury, January 1955–July 1957

Ichamada, Hisato, Japanese Finance Minister to December 1956 and again from July 1957

Iguchi, Sadao, Japanese Ambassador to the United States to February 1956

Ikeda, Hayato, Secretary-General of the Liberal Party in Japan to November 1955; Minister of Finance, December 1956–July 1957

Ingersoll, Vice Admiral Stuart H., USN, Commander of the Seventh Fleet, December 1955–January 1957; Commander of the Taiwan Defense Command, December 1955–July 1957

Ishibashi, Tanzan, Japanese Minister of Trade and Industry to December 1956; Prime Minister and Director of the National Defense Agency, December 1956–February 1957

Jones, Howard P., Deputy Assistant Secretary of State for Far Eastern Economic Affairs, July 1955–April 1957; thereafter Deputy Assistant Secretary of State for Far Eastern Affairs

Kishi, Nobusuke, Secretary-General of the Japanese Democratic Party to November 1955; Secretary of the Liberal Democratic Party, April 1956–February 1957; Foreign Minister, December 1956–July 1957; Prime Minister from February 1957

Kodaki, Akira, Director of the Japanese National Defense Agency, February–July 1957

Kono, Ichiro, Japanese Minister of Agriculture and Forestry to December 1956; Director of the Administrative Management Agency, November 1955–December 1956; Director of the Economic Planning Agency from July 1957

Lamb, Richard H., Second Secretary of the Embassy in Japan to January 1957; First Secretary, January–September 1957; thereafter Chief of the Northeast Asia Branch of the Division of Research for the Far East, Department of State

Lay, James S., Jr., Executive Secretary of the National Security Council

Lemnitzer, General Lyman L., USA, Commanding General, United States Army Forces, Far East and Eighth United States Army, April–June 1955; Commander in Chief, United Nations Command; Commander in Chief, Far East; and Governor of the Ryukyu Islands, June 1955–July 1957; thereafter Vice Chief of Staff of the Army

Leonhart, William, member of the Policy Planning Staff, Department of State, from January 1955; also Alternate Department of State Representative on the National Security Council Planning Board from February 1957

MacArthur, Douglas, II, Counselor of the Department of State to December 1956; Ambassador to Japan from February 1957

Macmillan, Harold, British Minister of Defense to April 1955; Secretary of State for Foreign Affairs, April–December 1955; Chancellor of the Exchequer, December 1955–January 1957; thereafter Prime Minister and First Lord of the Treasury

Martin, James V., Consul in Fukuoka, Japan, to 1956; thereafter Officer in Charge of Japanese Affairs in the Office of Northeast Asian Affairs, Department of State

Matsumoto, Takizo (Frank), Japanese Deputy Chief Cabinet Secretary to December 1956

McCardle, Carl W., Assistant Secretary of State for Public Affairs to March 1957

McClurkin, Robert J., Director of the Office of Northeast Asian Affairs, Department of State, to January 1956

Menzies, Robert G., Prime Minister of Australia

Merchant, Livingston T., Assistant Secretary of State for European Affairs to May 1956; thereafter Ambassador to Canada

Minnich, L. Arthur, Jr., Assistant White House Staff Secretary

Molotov, Vyacheslav Mikhailovich, First Vice Chairman of the Soviet Council of Ministers and Soviet Foreign Minister to June 1956; Minister of State Control, 1956–1957; Member of the Presidium of the Central Committee of the Soviet Communist Party to 1957

Morgan, George A., Counselor of the Embassy in Japan

Murphy, Robert D., Deputy Under Secretary of State for Political Affairs

Nixon, Richard M., Vice President of the United States

Ockey, William C., Office of Northeast Asian Affairs, Department of State, January–December 1956; thereafter Deputy Director of the Office of Northeast Asian Affairs

Ohno, Katsumi, Japanese Vice Foreign Minister from January 1957

Parsons, Howard L., Officer in Charge of Economic Affairs, Office of Northeast Asian Affairs, Department of State, from February 1955; Acting Deputy Director from January 1956; Deputy Director, April–October 1956; thereafter Director

Parsons, J. Graham, Counselor of Embassy in Japan with personal rank of Minister to May 1956; thereafter Ambassador to Laos

Phleger, Herman, Legal Adviser of the Department of State to April 1957

Prochnow, Herbert V., Deputy Under Secretary of State for Economic Affairs, October 1955–November 1956

Radford, Admiral Arthur W., USN, Chairman of the Joint Chiefs of Staff to August 1957

Randall, Clarence B., Special Assistant to the President and Chairman of the Council on Foreign Economic Policy

Rankin, J. Lee, Solicitor General of the United States

Raymond, John M., Assistant Legal Adviser for German Affairs, Department of State, to July 1956; Acting Deputy Legal Adviser, July 1956–March 1957; thereafter Deputy Legal Adviser

Rhee, Syngman, President of the Republic of Korea

Richards, James P., Democratic Representative from South Carolina; Chairman of the House Foreign Affairs Committee to January 1957; thereafter Special Assistant to the President with the personal rank of Ambassador

Ridgway, General Matthew B., USA, Chief of Staff of the Army to June 1955

Robertson, Reuben B., Jr., Deputy Secretary of Defense, August 1955–April 1957

Robertson, Walter S., Assistant Secretary of State for Far Eastern Affairs

Rockefeller, Nelson A., Special Assistant to the President, 1955

Rose, H. Chapman, Under Secretary of the Treasury

Sebald, William J., Deputy Assistant Secretary of State for Far Eastern Affairs to March 1957; thereafter Ambassador to Australia

Sherman, William C., Second Secretary of the Embassy in Japan, March 1955–January 1957; thereafter Division of Research for the Far East, Department of State

Shigemitsu, Mamoru, Japanese Foreign Minister to December 1956

Shima, Shigenobu, Minister at the Japanese Embassy to spring 1957

Shimoda, Takezo, Director of the Treaty Bureau in the Japanese Foreign Ministry to 1957; Minister at the Japanese Embassy from spring 1957

Shuff, Charles H., Deputy Assistant Secretary of Defense for International Security Affairs from 1957

Smith, General Frederic H., Jr., USAF, Commander, United States Forces in Japan from July 1957

Smith, Gerard C., Special Assistant to the Secretary of State for Atomic Energy Affairs, June 1955–October 1957; thereafter Assistant Secretary of State for Policy Planning

Snow, Conrad E., Assistant Legal Adviser for Far Eastern Affairs, Department of State, and Chairman of the Clemency and Parole Board for War Criminals to June 1956

Snyder, Murray, Assistant Secretary of Defense for Public Affairs

Sprague, Mansfield D., General Counsel of the Department of Defense to February 1957; thereafter Assistant Secretary of Defense for International Security Affairs

Steeves, John M., Consul General in Naha, Japan, August 1956–July 1957; thereafter Political Adviser, CINCPAC

Streibert, Theodore C., Director of the United States Information Agency

Stump, Admiral Felix B., USN, Commander in Chief, Pacific Command, and Commander in Chief, Pacific Fleet

Sullivan, Charles A., Director of the Policy Division of the Office of Foreign Military Affairs, Department of Defense

Sunada, Shigemasa, Director of the Japanese National Defense Agency

Tani, Masayuki, Japanese Ambassador to the United States, March 1956–April 1957

Taylor, General Maxwell D., USA, Commanding General, United States Army Forces, Far East, and United States Eighth Army, to March 1955; Commander in Chief, Far East Command; Commander in Chief, United Nations Command; and Governor of the Ryukyu Islands, April–June 1955; thereafter Chief of Staff of the Army

Tsushima, Juichi, Director of the Japanese National Defense Agency from July 1957

Vettel, Thelma E., Chief of Japanese Economic Affairs, Office of Northeast Asian Affairs, Department of State, April 1955–September 1956; thereafter Acting Officer in Charge of Economic Affairs, Office of Northeast Asian Affairs

Waugh, Samuel C., President of the Export-Import Bank

Wilson, Charles E., Secretary of Defense to October 1957

Yoshida, Shigeru, Prime Minister of Japan, May 1946–May 1947, and again October 1948–December 1954

Young, Kenneth T., Director of the Office of Philippine and Southeast Asian Affairs, Department of State, January 1955–April 1956; thereafter Director of the Office of Southeast Asian Affairs

JAPAN

U.S. POLICY TOWARD AND RELATIONS WITH JAPAN: THE NSC 5516 SERIES; U.S. ATTITUDE TOWARD THE RESUMPTION OF DIPLOMATIC RELATIONS BETWEEN JAPAN AND THE SOVIET UNION; DESIRE OF JAPAN FOR REVERSION OF OKINAWA AND THE BONIN ISLANDS; PROBLEMS RELATING TO "WAR CRIMINALS"; U.S. POSITION ON TRADE RELATIONS WITH JAPAN AND IMPORTS OF JAPANESE TEXTILES; U.S. INTEREST IN IMPROVED RELATIONS BETWEEN JAPAN AND KOREA; THE GIRARD CASE [1]

1. Telegram From the Department of State to the Embassy in Japan [2]

Washington, January 4, 1955—4:13 p.m.

1333. Sebald asked Ambassador Iguchi come in receive Department's comments Yoshida proposal "high command" Southeast Asia to seize anti-communist propaganda offensive.[3] Sebald said we greatly appreciate Japanese interest concerting with US and other nations this purpose but believe proposal would conflict Manila Pact. Suggested informal high-level bilateral consultative body Tokyo already proposed by US might serve similar purpose more effectively.

Iguchi said mid-December UK has responded Yoshida proposal by suggesting trilateral or quadrilateral (including France) consultative body Tokyo to exchange information re Communist activities and perhaps develop plans counter them. Sebald said initiative might be left Japanese Foreign Office develop this idea further.[4]

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[1] Continued from *Foreign Relations*, 1952–1954, vol. xiv, Part 2, pp. 1 ff. For documentation on the question of admission of Japan to the United Nations, see vol. xi, pp. 280 ff. For documentation on U.S. economic relations with Japan and the admission of Japan to the GATT, see vol. ix, pp. 86 ff. For documentation on the U.S. response to Japan's position on nuclear testing, see volume xix.

[2] Source: Department of State, Central Files, 790.5/1–455. Confidential. Drafted and approved in NA.

[3] See the U.S. summary minutes of a meeting held November 9, 1954, and McClurkin's memorandum of a conversation held December 30, 1954, both in *Foreign Relations*, 1952–1954, vol. xiv, Part 2, pp. 1779 and 1816, respectively.

Memo conversation[5] pouched.

Dulles

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[4] Further documentation on this subject has not been found in Department of State files.

[5] Not found.

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2. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, January 6, 1955—10 a.m.

1605. During courtesy call on Shigemitsu by Admiral Radford,[2] accompanied by General Hull and me, Foreign Minister took occasion to emphasize in strongest possible manner his belief that "fundamental basis" of Japanese policy was close and friendly cooperation with US.

In spite of press stories that Shigemitsu has requested $45 million reduction in Japanese contribution to United States forces in Japan, fact is that no figure of any sort was mentioned, that no request for reduction was made and that question of defense budget was not mentioned by Foreign Minister until brought up by me. Shigemitsu then contented himself with saying this was complicated matter which he was certain could be satisfactorily settled as result of discussion among ourselves and our experts.

There was some general discussion on reparations problem and Shigemitsu expressed belief that was one of most important problems to be solved before Japan could do its proper share in general economic buildup of Asia. He pled for United States consideration of this problem not as separate bilateral problem between Japan and Philippines and Indonesia but as part of overall Far Eastern economic problem. Shigemitsu said he was not asking for any direct United States aid but that Japan would welcome advice from American experts and hoped they would concern themselves with the matter.

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[1] Source: Department of State, Central Files, 611.94/1-655. Confidential.

[2] Admiral Radford was on a tour of Asia and the Pacific, December 22, 1954–January 5, 1955.

Only two specific matters were mentioned by Shigemitsu and one of these, return of Japanese to Bonins, was not pursued at any length. Foreign Minister did make lengthy "personal appeal" on behalf of release of war criminals. This is subject of increasing importance in Japan and Shigemitsu expressed deep regret that Great Britain and United States, two best friends of Japan, continued to take what he described as "legalistic" approach to problem. He said he did not question legality of trials or correctness of decisions reached but ten years had passed and it is important to forget past and do everything possible heal wounds war. Continued incarceration of these men keeps alive war resentments, hinders full and complete collaboration between our two nations which is so essential and plays into hands of leftists and Communists who point to releases being made by Communist China and Soviets. It is not good to point to thousands Communists have not and never will release, important thing is that considerable talk and some action is evident from Communist side leading to releases. Shigemitsu requested Radford to pass on his concern to President with strong appeal for early favorable action. Admiral Radford said he would inform President and Secretaries of State and Defense of Mr. Shigemitsu's views.

In my personal opinion which I know is shared by General Hull, there is little which we could do in Japan which would do more good for American-Japan relations than a decision for early release, on parole or otherwise, of remaining war criminals under United States jurisdiction.

Please pass copy this message to Admiral Radford.

Allison

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3. Editorial Note

In telegram CINCFE 71040 from Tokyo, January 7, General Hull transmitted his Command's views to the Department of the Army. Subsequently the message was retyped and circulated to the Operations Coordinating Board as a memorandum on February 10. The summary section of CINCFE 71040 as circulated to the OCB reads as follows:

"Summary. CINCFE views regarding US policy toward Japan are summarized below.

"A. US objectives in Japan. The US should seek to build a Japan which is politically, economically and militarily strong, which is allied closely with the US and which is capable of exerting dynamic anti-Communist leadership in Asia. Military strength is an essential and integral part of total Japanese strength since no nation confronted with a constant and serious threat of aggression can be a great nation if it is incapable of defending itself. Moreover, the political and economic objectives can and should be achieved without retarding the rate of development of the military forces of Japan.

"B. Obstacles to the accomplishment of US objectives. There is a growing tendency among the Japanese to participate in flights from reality which lead them to entertain hopes of neutralism and of prosperous coexistence with both the East and the West. These obstacles serve to increase the challenge placed on US policy and, for the best interests of the US, should be overcome.

"C. Usefulness of Japan to the US. Japan is still as vital to the US now as it has ever been in the past. Japan is still capable of serving as a strong outpost [*less than 1 line of source text not declassified*] of defense [*2½ lines of source text not declassified*]. Japan is capable of being a formidable ally of the US and of assisting in the development of means by which Communism can be stopped and defeated in Asia. The loss of Japan to the Communist world would shift a major segment of economic and military strength to the Communist side, would breach the offshore island chain and would in all probability be followed by the loss of Korea, Okinawa and Formosa as well.

"D. Requirements of US policy toward Japan. The US policy toward Japan must encourage and reward the Japanese people in their development of inherent Japanese strengths. These strengths must include political and economic as well as military strength with no one element of strength being advanced at the expense of the others. US policy must, as a principal measure, assist in the generation of a strong Japanese society based on freedom and oriented toward the United States. These strengths in the Japanese society must be derived from substantial Japanese accomplishments in endeavors looking toward improving the will and capacity of the Japanese to resist Communist aggression, to increase their standard of living, and to increase their political cohesion to a degree that will produce and sustain a strong government." (Department of State, Central Files, 611.94/2–1055; full text of CINCFE 71040 as sent is in National Archives and Records Administration, RG 218, JCS Files, 092 Japan (12–12–50))

4. Telegram From the Department of State to the Embassy in Japan[1]

Washington, January 10, 1955—7:41 p.m.

1386. Your 1443,[2] 1451,[3] 1502.[4] Department assumes as result your conversation December 27 with Shigemitsu (your 1502) no immediate US reaction to question Japan's reopening relations USSR and Communist China required. However providing guide lines for use your discretion in event problem assumes serious proportions in future.

Following considerations important: 1) existence US relations with USSR precludes strong efforts persuade Japan from establishing relations with USSR; 2) US opposed Japan's recognition Communist China under present circumstances: 3) US does not want be put position suffering major public diplomatic defeat prejudicial basic US–Japan security alignment if Japan eventually takes steps develop diplomatic relations USSR or Communist China.

Guide lines follow:

(a) Continuation present propaganda exchange between Japan and USSR can only strengthen hand Socialists and divide Conservative forces. It can have effect without intending do so of building up strong domestic pressures inconsistent with Government intentions.

(b) One objective USSR is play upon difficulty establishing relations with Communist China thus exacerbating Japan's internal political situation.

(c) US would look adversely upon recognition Communist China by Japan. Communist China gives every evidence continuing aggressive policies. To make any move now toward Communist China would fly in face international opinion—unity of which just demonstrated by UN condemnation Communist China for illegal retention US fliers.

(d) Japan's establishment relations Communist China could have dangerous effect on rest Asia and its will resist Communist expansion.

(e) Hope for trade of anything approaching prewar levels with Communist China illusory and is dangerous for Japan develop reliance Communist China as source raw materials since Communist trade policy politically motivated for purposes dividing free world. Reliance prospect trade with Communist China may also adversely affect Japan's relations with Korea, Formosa and possibly Thailand and Philippines and inhibit critically important efforts Japan strengthen political and economic ties with countries of east and southeast Asia through reparations settlements, economic development plans and expansion of trade.[5]

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[1] Source: Department of State, Central Files, 611.94/1–1055. Secret. Drafted in NA, cleared in EE and CA, and approved by Walter S. Robertson.

[2] Dated December 17, 1954. (*Ibid.*, 794.00/12–1754)

[3] Dated December 18, 1954. (*Ibid.*, 493.9431/12–1854)

[4] In telegram 1502, December 27, the Ambassador reported on his conversation held that day with Shigemitsu, and stated in part that, while the Foreign Minister thought that "it was most important from the point of view of public opinion in Japan not to block off Red China in a watertight compartment", he had gone on to say that there were no concrete plans for regularizing Japanese relations with the Communist bloc, and that if the Japanese Government did entertain such plans, it would first consult the United States. (*Ibid.*, 611.94/12–2754)

(f) Although US accepts Japanese Government's assurances no real change relations with US contemplated continued statements such as made by leading officials new government cannot help but have adverse effect on congressional and public opinion this country.

(g) US support Japanese sovereignty Habomai and Shikotan should be called attention Japanese and query raised about Japan's position these islands and Kuriles in any possible discussion Soviets.

Dulles

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[5] In a memorandum to Robertson, January 7, McClurkin stated that "over the long run" there was little the United States could do to prevent the development of direct relations between Japan and Communist China. Initially the United States should take the position outlined in telegram 1386 (then in draft form). "If despite the arguments advanced by us the Japanese insist on the necessity of taking steps looking toward the opening of diplomatic relations with Communist China, we should strongly call to their attention the desirability of adhering to the minimum condition that normalization of relations not be allowed to interfere with existing treaty relations with Nationalist China." (*Ibid.*, 661.941/1–755)

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5. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, January 10, 1955—8 p.m.

1647. Reference CINCFE 71040, 7 January 1955.[2]

1. I have reviewed General Hull's reference message summarizing FEC views regarding US policy in Japan and FEC comments on Embassy study "A preliminary reappraisal of US policy with respect to Japan", Embdesp 516 of October 25.[3] I am in basic agreement with summary US objectives in Japan in part one of reference message although I believe it is cast in too strictly military terms. Our goal here should be development of strong Japan and harnessing of its strength to free world's effort to thwart Communist threat. Considering Japanese achievements in pre-war period, there can be little question of its capabilities for becoming important power in Far East. Nevertheless, it

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[1] Source: Department of State, Central Files, 611.94/1–1055. Secret; Priority.

[2] See Document 3.

[3] For partial text, see *Foreign Relations*, 1952–1954, vol. XIV, Part 1, p. 752.

is also evident that limited resources do not permit rapid progress toward achievement of economic and military strength. Problem facing US policy is therefore how we best contribute to hastening Japanese achievement of strength and at same time assure that Japan, once strong, will not move towards Soviet orbit or adopt such strictly neutralist policies as would limit its aid to Western efforts against Communist aggression. In considering our short-term policies, I do not believe we should lose sight of fact that Japanese recovery of power is likely be long-term task. Stake in Japan far too great to risk unnecessarily substantial eventual contribution to free world effort by seeking momentary gains.

2. Principal present obstacle to immediate emphasis on recovery of Japanese military strength lies not in capabilities to undertake more extensive defense effort but in unwillingness of Japanese Government at present to utilize this potential due to political reasons based on social and economic requirements pointed out Embassy study. Primary significance of Finance Minister Ichimada presentation of case for reduction in Japanese contribution to support costs lies in reaffirmation by Hatoyama Government of defense policies of Yoshida Government. While elements in Japanese Government, particularly Defense Agency, for larger defense program, policy of present government is to resist additional defense efforts at this time and concentrate instead on developing Japanese economy and increasing receptiveness of Japanese people to subsequent major defense efforts. Privately, major figures in conservative movement admit need for far greater defense efforts. However, they are unwilling undertake such program before political situation stabilized by unity of conservative political forces, economic conditions improved, and national spirit rehabilitated thus making climate of opinion more favorable. Until then Japanese Government willing depend largely on US and make only token annual increases in Japanese forces. After political and economic stabilization achieved, innate compulsions of Japanese to exercise influential role as major power will probably lead to more substantial defense program since military strength is prerequisite for power. For present, however, political leadership proceeding cautiously in belief ground must be carefully prepared to assure that defense program, once undertaken, does not falter and become political "football" leading to deterioration moderate conservative position.

3. I do not believe either that policy of increased US pressure over next few years is capable of overcoming present Japanese unwillingness undertake more substantial effort in defense field, or that it is desirable in light of long-run US objectives. Up to present, pressure for greater defense effort has brought achievements far short of force goals envisaged in 1952. In almost every respect (budgetary appropriations, size of defense forces, mobilization defense industry) Japanese

action is not up to goals. Japanese in past two years have lagged far behind what we have considered reasonable defense effort despite variety of US pressures and international situation more immediately threatening in military sense than at present. Furthermore, it is quite likely that any defense budget for 1955 approved under increased US pressure would be only slightly greater than amount likely to be obtained if our negotiation tactics are restrained and based on persuasion. Even twenty million dollars more seems small dividend in perspective of total cost to build major military force desired for Japan.

Even if tactics of pressure were more successful than envisaged, I do not consider this adequate or fruitful basis for developing long-run relationship of cooperation between US and Japan. Japanese are increasingly sensitive to US policies implying treatment of Japan as "second-class" nation. Japanese desire treatment as equal independent power capable of influencing US policy to same degree as major NATO powers and arriving at own decisions on basis consideration of national interests and not as result external pressures. Such treatment likely increase Japanese cooperation and responsiveness to US suggestions and enable US to exert continuing influence over rate of growth Japanese strength.

4. While I do not consider Japanese defense effort adequate, over next few years I believe our objectives best achieved by tactics along lines in Embassy study referred to above. Basically, initiative for defense can only come from Japanese if major effort is to be made and sound basis for US-Japanese cooperation formed. Our efforts during next two years should be devoted toward stimulating Japanese initiative by strengthening political and economic foundation and by increasing Japanese sense responsibility for own and Asian defense through such measures as gradual withdrawal US Forces, particularly ground forces, and greater Japanese participation in free world deliberations on Asian policy including attendance multi-lateral conferences on Far East. Primary emphasis should be placed on the achievement by moderate conservatives of cohesiveness and strength. The possibility that conservative failure to organize stable effective government in the next year will lead to gradual decline of conservative strength should not be underestimated (see my telegram 1624 January 7).[4] If this comes to pass, our objective of strong Japan making a basic contribution to free world will be far less attainable and any substantial increase Japanese defense effort considerably delayed. On other hand, unified conservative force, if stabilized in power and exerting effective control over the economic situation, represents our best prospect for adoption policies aimed at reconstructing Japan, including development of military strength. Long-term objective of military strength can

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[4] Not printed. (Department of State, Central Files, 794.5/1–755)

thus be best achieved by first assuring solid foundation of political stability and economic strength rather than emphasizing annual increments in Japanese defense forces. US policies along these lines also seem better suited to strenthening of Japanese ties with US and the free world than continued high pressure for immediate defense efforts.

Allison

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6. Editorial Note

At the meeting of the National Security Council held on January 13, Admiral Radford reported on his trip to Asia and the Pacific, December 22, 1954–January 5, 1955. The memorandum of discussion concerning Admiral Radford's report [*31 lines of source text*] was not declassified. (Memorandum prepared by Gleason, January 14; Eisenhower Library, Whitman File, NSC Records)

The question of Japanese war criminals came up at a meeting held January 14 between the Joint Chiefs of Staff and a Department of State group led by Murphy. The portion of the memorandum of this meeting that deals with Japan [*18 lines of source text*] was not declassified. (Department of State, State–JCS Meetings: Lot 61 D 417)

In the elections held in Japan at the end of February 1955, candidates of the Democratic and Liberal parties won 64 percent of the seats in the lower house of the Diet and polled approximately 63 percent of the popular vote. (Telegram 2115 from Tokyo, March 1; *ibid.*, Central Files, 794.00/3–155)

7. Telegram From the Department of State to the Office of the High Commisioner in Germany[1]

Washington, January 15, 1955—2:28 p.m.

1953. Subject concurrence Defense and Attorney General Department is considering recommending President authorize mass parole Japanese war criminals in US custody. Plan contemplates simultanenous release on parole to Japanese Government of all prisoners for whom Japanese Government has recommended clemency or parole. Japanese Government would establish terms and conditions parole in each case. Once authorization obtained, release would take place at time when maximum political benefit would be secured. Expect result would be immediate parole all 264 war criminals still confined US custody except seven as to whom no recommendations for clemency or parole have been received. Prisoners convicted by International Military Tribunal for Far East can be released only upon decision majority governments represented on Tribunal, but US would indicate it favors parole these prisoners also.

Your views urgently requested re potential repercussions this action in Germany, including probable demand for similar parole German war criminals, and political consequences such parole if granted. Without consulting British and French, can you estimate what their reaction likely to be? Defense will not be approached here pending receipt your comments.

There is much pressure on US to release the Japanese in near future when it might be politically most effective. It would be difficult retain Germans after that has been done. We should in any event consider it awkward to maintain prisons in an allied Germany after Federal Republic obtains sovereignty (Spandau an exception). We are considering most suitable means meeting this situation in view of fact that we have relative freedom of action before Settlement Convention goes into effect. Concerned however lest any step this time might have adverse effect on French ratification.[2]

Murphy

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[1] Source: Department of State, Central Files, 694.0026/1–1555. Secret; Limited Distribution. Drafted in GPA, cleared with Robertson, and approved in EUR.

[2] In telegram 2083 from Bonn, January 22, the High Commissioner's Office replied that mass parole of Japanese war criminals would have an unfortunate effect in Germany, creating demands for immediate release of German war criminals and destroying the parole and clemency system, thus necessitating a general amnesty because the German Government could not administer a parole system. (*Ibid.*, 662.0026/1–2255) Telegram 1526 to Tokyo, February 4, repeated to Bonn, reads in entirety as follows:

Continued

8. Telegram From the Department of State to the Embassy in Japan[1]

Washington, January 26, 1955—6:56 p.m.

1491. Tokyo's 1783[2] and 1791.[3]

1. Tell Shigemitsu or Tani:

(a) US appreciates prompt information and glad furnish any comments Japanese may find helpful on continuing basis

(b) Do not desire seek influence Japanese decision on Soviet démarche but recommend careful planning if decided accept.

2. You may wish your discretion discuss with Shigemitsu and Tani several important considerations:

(a) Would expect any arrangements Japan makes with USSR would recognize that Japan's existing treaty relations no way affected. (We thinking particularly Security Treaty and Japan's treaty with Nationalist China.)

(b) Any arrangements Japan makes with Soviets should not be inconsistent with San Francisco treaty. US continues support Japan's claim that Habomais and Shikotan not part of Kuriles and remain Japanese territory. Suggest Japan might propose this issue be referred International Court Justice if Soviets oppose Japan's claim.

"Secretary decided January 27 against mass parole Japanese war criminals. Decided seek approval President to delegating final authority re Japanese war criminals to Clemency and Parole Board." (*Ibid.*, 694.0026/2-255)

No documentation regarding the Secretary's decision has been found; however, in a joint memorandum to Dulles, January 23, Merchant and Robertson listed (in addition to questions connected with Germany) the following reasons against immediate parole: 1) parole would seem to be an admission by the United States that the trials had been a mistake; 2) important U.S. allies who had strongly opposed efforts to expedite release of Japanese war criminals would be embarassed in their relations with Japan; 3) Japan should be required to fulfill her obligation undertaken in the peace treaty to carry out sentences imposed by the Allied Powers; and 4) the possibility existed of adverse reaction in the United States. (*Ibid.*, FE Files: Lot 56 D 679, Japan)

In a letter to Dulles, March 29, Secretary Wilson concurred for the Department of Defense in delegating final authority on paroles to the Clemency and Parole Board, provided the Board would continue to make its decisions unanimously. (*Ibid.*, Central Files, 694.0026/3-2955) On May 16, the new procedure was established by the President in Executive Order 10613. For text, see Department of State *Bulletin*, June 20, 1955, p. 998.

[1] Source: Department of State, Central Files, 661.941/1-2655. Secret; Priority. Drafted in NA and cleared with William Sebald in FE and, in substance, with Edwin Martin of CA. Also cleared in EE and L and approved by Murphy. Repeated to Moscow.

[2] Telegram 1783, January 25, transmitted the text of a Soviet note of that day to the Japanese Government, in which the Soviet Union indicated a willingness to enter into negotiations for the purpose of normalizing Japan-Soviet relations. (*Ibid.*, 661.94/1-2555)

[3] In telegram 1791, January 26, Allison reported Shigemitsu had told him that while Japan would welcome "personal or unofficial advice which we might wish to pass on to him" concerning the Soviet initiative, the Foreign Minister had also said frankly that official or public comment could only be counterproductive. (*Ibid.*, 661.941/1-2655)

(c) Does Embassy or Foreign Office think Article 26 of San Francisco Treaty[4] may be factor in Soviet calculations? Soviets may wish obtain benefits Article 2(c) and other treaty provisions before Japan's obligation under Article 26 expires on April 28, 1955.

(d) Recommend Japan obtain favorable agreement on fishing off Siberia and on release Japanese nationals detained by USSR.

(e) Hope Japan obtains Soviet commitment unconditionally support Japan's UN application.

(f) Hope Japan will resist any Soviet attempts bring Communist China into discussions. Our position here remains as stated Department's telegram 1386.[5]

(g) Expect Japan will ensure any arrangements with Soviets will minimize effects inevitable Soviet efforts extend espionage subversion and propaganda network Japan.[6]

Dulles

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[4] For text of the Treaty of Peace signed by Japan and 48 nations at San Francisco, September 8, 1951, see TIAS 2490; 3 UST (pt. 3) 3169.

[5] Document 4.

[6] In telegram 1816 from Tokyo, January 28, Allison reported in part: "I saw Tani this morning and discussed with him substance Department telegram 1491. Tani stated that all of points made by Department were consistent with his and Shigemitsu's thinking as to manner of dealing with Soviets. Tani expressed particular gratification at point 2 (e) and said it had been his own immediate recommendation to Shigemitsu that support for Japanese membership in UN should be demanded of Soviets." (Department of State, Central Files, 661.941/1–2855)

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9. Memorandum of a Conversation, Department of State, Washington, January 28, 1955[1]

SUBJECT

Various Japanese Problems

PARTICIPANTS

The Secretary
Mr. Sadao Iguchi, Ambassador of Japan
G—Mr. Murphy, Deputy Under Secretary
FE—William J. Sebald, Deputy Assistant Secretary

After the usual preliminaries, Ambassador Iguchi gave the Secretary a letter from Foreign Minister Shigemitsu.[2] He said it had been hoped that the Secretary could visit Japan after the Bangkok Conference, but in view of the scheduled general elections in Japan it was of course understood that this might be undesirable. The Secretary agreed.

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[1] Source: Department of State, Central Files, 794.00/1–2855. Confidential. Drafted by Sebald.

[2] Not found in Department of State files.

Ambassador Iguchi mentioned the recent approach to Prime Minister Hatoyama by representatives of the USSR at the former's private residence. He said that Mr. Tani informed Ambassador Allison of the visit and hoped that close contact between us could be maintained on this subject. The Secretary agreed, and briefly reviewed the desirability of Japan bearing in mind the principle that existing treaty relations not be affected, pointing out that the San Francisco peace treaty contained an Article which was intended to protect Japan against making new treaties of peace more liberal in terms than those of the San Francisco treaty. He also mentioned the Habomai and Formosa problems. Ambassador Iguchi said that there is a distinction between the Soviet and Communist China problems, and that there is increasing pressure from Osaka businessmen for trade with the latter. In any event, however, Japan would not violate the COCOM regulations. The Secretary asked whether there is much trade with China. Ambassador Iguchi replied in the negative, said that Mr. Murata [3] is now in Peking, presumably negotiating a trade agreement.

The Secretary then took up the various subjects mentioned in a number of informal memoranda which Ambassador Iguchi had handed to him. [4] On the Formosa question, the Secretary stated that it is our main desire to stabilize the situation and to stop the fighting. On the other hand, we are determined in our own security interests that Formosa and the Pescadores should not fall into unfriendly hands asthis would undermine our entire defense position in the Far East and would result in weakening Japan, among other countries, with the result that Communist strength would be vastly increased. He explained that the Tachen Islands are indefensible except at great cost but that we did not wish to have these islands lost or evacuated without some psychological offset. For this reason the President had asked Congress for increased authority which included the right to attack any Communist buildup specifically directed against Formosa; Quemoy and Matsu Islands were points where Communist buildups could take place for such an attack. Another factor is that Chou En-lai in a recent statement had made clear the Communist determination to attack Formosa. For these reasons, we must be vigilant. Our policy, however, is not that we wish to stir up things, but rather to find ways and means to settle them.

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[3] Shozo Murata, Chairman of the Japan International Trade Promotion Association.

[4] Not found.

Ambassador Iguchi asked whether a cease-fire is in the offing. The Secretary briefly explained the New Zealand approach in the Security Council scheduled for today at noon. Under the terms of the letter the CPR would be invited to attend the Security Council hearings. He felt, however, that Chou En-lai might not accept as he had already publicly committed himself to refuse to take part in a cease-fire procedure.

On the question of the Afro-Asian Conference,[5] the Secretary said that he thought on the whole the Japanese Government should be represented, but hoped that the Japanese delegation would be comprised of high-caliber people. Ambassador Iguchi said that Mr. Tani's name had been mentioned as Japanese representative, although Mr. Shigemitsu would like to go. The Secretary pointed out the possibility that the Communists, and neutralists led by Nehru, might press for anti-colonial resolutions. There is also the possibility that the doctrine of "Asia for the Asians" would be advocated. As to the former, the Secretary felt that while the US is not particularly involved it could cause difficulties to our friends the French and British. Regarding the "Asia for the Asians" doctrine, this would be intended to break the ties of Asian countries with the US. Under world conditions today there can be no balance of power unless the US throws in its weight. We would of course be glad if Japan could help in this regard but Japan is not yet strong enough to do this. As the Communist aim is to appeal to regional sentiments, as was done by Molotov at Berlin, the Secretary hoped that the Japanese delegation would include people who understand that this is one world and that to exclude US influence and ties from any continental area can only result in dominance by the Soviet Union.

On the question of defense, the Secretary said that he understood that Foreign Minister Shigemitsu is more positive on the question of re-armament. Regarding air fields, the Secretary expressed the hope that Japan would do what it can in its own interests to strengthen the fields as requested. Ambassador Iguchi said that this would depend somewhat upon the results of the local elections in April.

On the question of increasing Japan's share of exports to the US, the Secretary said that we were doing all we can but that there is considerable opposition. Ambassador Iguchi said he understood this very well, but that many Osaka businessmen are using the tariff question as an excuse in pressing for increased China trade.

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[5] For documentation on the interest of the United States in this Conference, held at Bandung, Indonesia, April 21–24, 1955, see vol. xxi, pp. 1 ff.

Ambassador Iguchi raised the question of war criminals and hoped that something could be done. The Secretary said that he desired to have this problem solved as urgently as possible. Mr. Murphy indicated that the principal difficulty arose out of the effects which any over-all action would have on the German war criminal problem and that the matter is presently being studied. Mr. Sebald said he understood that a staff study will shortly be presented to the Secretary for decision.

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10. Memorandum From the Director of the Office of Northeast Asian Affairs (McClurkin) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, February 1, 1955.

SUBJECT

Procurement of Jet Aircraft in Japan

Background

The Department of the Air Force is submitting to the Department of Defense a recommendation that:

a) Defense authorize the Air Force to negotiate a contract with the Japanese Government for assembly of 70 F–86–F jet aircraft in Japan, at a total dollar cost under MDAP not to exceed $28.4 million;

b) The State Department and FOA be requested to cooperate and assist in finalizing this program;

c) If necessary, an exception be granted under appropriate Defense directives to permit the contract to be made for a dollar cost estimated to be about 5 percent higher than the cost of these aircraft in the United States.

This proposal envisages the production in Japan of about 500 jet fighter aircraft over the next five years, with an initial program for the procurement of 70 F–86–F aircraft. The dollar cost of the 70 aircraft is estimated to be about $28.4 million and the yen cost, about $12.2 million, totaling about $40.6 million. The proposal involves a possible sharing of the total cost of the aircraft by the United States and Japanese Governments, since the Japanese Government would supply the

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[1] Source: Department of State, Central Files, 794.5622/2–155. Secret. Concurred in by S/MSA.

70 aircraft at a cost to the U.S. of $28.4 million and, presumably, would subcontract to the producer (probably Mitsubishi) for the aircraft, thereby contributing the yen portion of the total cost.

This proposal is the outgrowth of a proposal made to the Air Force in November by MAAG–J and FEAF. General Hull in a message to Defense, bearing Ambassador Allison's concurrence, strongly endorsed the proposal (C–70402 to Defense, November 26, 1954, attached as Tab C).[2] Embassy Tokyo in joint telegram 1694 of January 14 (attached as Tab D)[3] reported that the Embassy, Far East Command, U.S. Operations Mission, FEAF and MAAG–J all agree on the desirability of initiating an aircraft production program in Japan during the forthcoming Japanese fiscal year beginning April 1, 1955 and urge early approval of this proposal. The Embassy also pointed out the urgency of approval in view of lead-time considerations and the fact that the Japanese Government, now in the process of finalizing its defense budget for Japanese fiscal year 1955, will not make provision for the program unless it has been formally presented by the United States Government.

Since the initiation of aircraft production in Japan would be a significant step toward the accomplishment of our NSC objectives in Japan, it is believed that the Department should indicate support of the proposal and offer to assist in finalizing the program. In view of the need for an early decision on the matter, it is believed that early consultation by Defense and the Air Force with the Department and FOA is desirable, particularly to determine the availability of facilities assistance funds to meet dollar assembly tooling costs and of yen funds under U.S. control to assist, if necessary, in meeting a portion of the yen production costs.

Recommendation

In view of the foregoing, it is recommended that you

a) Sign the attached letter to Assistant Secretary Hensel (Tab A)[4] expressing support of the Air Force proposal to procure jet aircraft in Japan and suggesting early consultation on the matter by the Departments of Defense and the Air Force with this Department and FOA.

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[2] In justification of the proposal, General Hull stated in part: "Healthy Jap acft ind will reduce burden on US ind to supp Allied Forces in Far East in event of all out world conflict. Immed OSP of acft will hasten day for impl of JCS goal for Jap thereby permitting an earlier redeployment of US Forces. The success of the impl of the JCS force goals for Jap according to USAF programming docu rqr new proc of acft either from US or Japan. US ind presently actively engaged in mfr of more adv type acft. OSP of acft would permit US ind to conc on these acft."

[3] Not printed. (Department of State, Central Files, 794.5–MSP/1–1455)

[4] This letter was sent February 3. (*Ibid.*, 794.5–MSP/2–355)

b) Sign the attached letter to Mr. Stassen (Tab B)[5] enclosing a copy of the letter to Mr. Hensel.

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[5] This letter and its enclosure were also sent February 3. (*Ibid.*, 794.5622/2-355)

Documents *ibid.*, 794.5, 794.5-MSP, and 794.5622 for 1955 indicate that the Departments of State and Defense were in agreement on the desirability of procuring jet aircraft in Japan and that the idea was accepted by the Japanese Government. For text of the Agreement under Mutual Defense Assistance for the assembly and manufacture of airplanes in Japan, effected by an exchange of notes at Tokyo on June 3, 1955, see TIAS 3383; 6 UST (pt. 3) 3817.

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11. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, February 2, 1955—5 p.m.

1862. For McClurkin, NA.

1. I strongly urge NSC review Japan policy be postponed at least until after Manila Chiefs of Mission conference,[2] to profit by results those discussions, and preferably until new Japanese Government settles in after elections, indicating pattern we have to deal with in next period. If delay not obtained, I suggest changes in NA January 7 draft[3] as follows:

2. While I appreciate extent to which NA draft corresponds recent Embassy thinking, and realize draft also had to be tempered for purposes inter-agency negotiation, I believe NSC policy should come more radically to grips with (a) Japan's objectives and her estimate of world in which she lives, (b) resulting differences which seriously impair US-Japan relations and could become disastrous. If "general considerations" revised accordingly, "objectives" should be framed to match our capabilities and "courses of action" then adapted to adjust basic differences and draw Japan into genuine alignment as favorable to US interests as realities permit. Here I would emphasize:

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[1] Source: Department of State, Central Files, 611.94/2-255. Top Secret; Limited Distribution.

[2] Held at Baguio, Philippines, March 2-5. Secretary Dulles attended the meeting and addressed the group. A verbatim record of the proceedings, entitled "Chiefs of Mission Conference", dated March 2-5 and prepared by James D. Bell, who served as rapporteur for the Conference, is *ibid.*, S/P Files: Lot 66 D 70, Far East.

[3] This draft policy statement, entitled "United States Objectives and Courses of Action With Respect to Japan", is not printed. (*Ibid.*, S/P-NSC Files: Lot 62 D 1, Japan, US Policy Toward, NSC 5516, 5516/1)

A. Breaking through present haze of misunderstanding by undertaking frank discussion of all fundamentals with the Japanese on a high level, insisting each side lay its cards on the table.

B. Treating Japan as potential first-class power and now making real our talk about treating her as equal partner, taking her into our confidence, consulting her as indicated NA draft paragraph 7a(1).[4]

C. Destroying myth of "absolute indispensability" of Japan to US.

D. Maximizing US bargaining power, e. g., by waiting for Japan to request aid instead of pushing it on her.

E. Phasing our policy to match evolution of Japanese strength: political stability, then economic viability, then military capability, although in some measures these can be promoted simultaneously.

3. Among specific courses of action I would include:

A. Institute high-level bi-lateral (and possibly tri-lateral with UK) discussions based on *mutual* willingness to adjust policies on Communist orbit, SEA development, and long-term plan for strengthening Japan. As outcome such discussions be prepared to launch a program of economic aid to Southeast Asia large enough, coupled with Japanese reparations, to support our major objectives there and at same time give Japanese real chance to put own economy on its feet.

B. Intensify efforts to bring Japan into UN and major international conferences outside UN, even if such steps involve adjustment US policies toward other countries considered less vital to US long-term interests.

C. Maintain US naval and air bases but announce intention commence gradual withdrawal ground forces.[5] Key officials should also be informed privately that total withdrawal possible if internal weakness negates usefulness US bases.

D. Restrain intensive efforts to push Japanese defense buildup at substantially greater rate than Japan wants but continue private encouragement to continual gradual increase.

E. Bargain for quid pro quo in terms specific desired performance by Japanese in return for specific forms of assistance. Preconditions to further aid should be limited to those considered of basic importance to US interests. They could include:

1) Positive cooperation with Free World's program to promote economic development and expanding trade and to stem Communist aggression, including eventual participation regional security arrangements;

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[4] According to this paragraph, the United States was to "Consult fully with the Japanese Government on matters of mutual interest, such as Communist strength and intentions in the Far East; countermeasures to be taken by Japan, the US and the other free nations; Japan's defense planning and US military assistance; and general international developments."

[5] On this point, paragraph 7(C)(8) of the January 7 draft reads: "Reduce US forces in Japan, in particular ground forces, to the extent permitted by the international strategic situation in order to stimulate Japanese efforts to provide for their own defense and to ease frictions connected with the presence of large US forces."

2) A serious austerity program comparable to England's to put economy on its feet;
3) Free acceptance of foreign private investment in Japan when such investment would serve to strengthen economy.

4. Reasons for the above plus detailed suggestions on draft forwarded by pouch.[6]

Allison

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[6] Despatch 954 from Tokyo, February 11. (Department of State, Central Files, 611.94/2-1155)

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12. Memorandum From the Director of the Office of Northeast Asian Affairs (McClurkin) to the Assistant Legal Adviser for Far Eastern Affairs (Snow)[1]

Washington, February 16, 1955.

SUBJECT

Kuriles and South Sakhalin

The Japanese have informally stated (Department's telegram 1560 to Tokyo)[2] they may request an indication of the United States position on the status of the Kurile Islands and South Sakhalin. I have read your memorandum of October 28, 1954[3] to Mr. Phleger on the status of Formosa and would appreciate your comments on the following statements of what we understand the legal position to be.

1. Vis-à-vis the United States and the other Allied Powers which signed and brought into force the San Francisco Peace Treaty, Japan has renounced all claim to the Kuriles and South Sakhalin and has no power to affect sovereignty over them. The locus of sovereignty over these areas has not been determined and, in the view of the United States, should be left to future international solvents.

2. The Soviet Union has acquired no benefits from the San Francisco Peace Treaty, including benefits from Japan's renunciation of claims to the Kuriles and South Sakhalin. After April 28, 1955 Japan will not be obligated to make a treaty with the Soviet Union on

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[1] Source: Department of State, Central Files, 661.941/2-455. Confidential.
[2] Dated February 4, not printed. (*Ibid.*)
[3] Not printed. (*Ibid.*, 611.94A/10-2854)

substantially the same terms as San Francisco, although of course it could do so.[4]

3. Japan's only legal obligation vis-à-vis the Soviet Union after April 28 of this year is to abide by the Terms of Surrender of September 2, 1945,[5] which incorporate by reference the Potsdam Proclamation of July 26, 1945.[6] Potsdam in turn incorporates the statement issued at the Cairo Conference on December 1, 1943,[7] which provides that Japan shall be expelled from all (other) territories which she has taken by violence and greed.

4. Japan argues that it did not obtain the Kurile Islands by violence but by peaceful means confirmed by international agreement. (The footnote on page 3 [4] of your memorandum of October 28, 1954 would appear to be an accurate statement, but the last part of the first full paragraph on page 3 [4] does not appear accurate where it is stated that South Sakhalin and the Kuriles were seized from Russia in 1905).[8] Japan may claim that the Terms of Surrender provide no basis for renunciation of its claim to the Kuriles, and may seek to press this argument in negotiations with the Soviet Union and may in that case request United States support.

5. If the above arguments are tenable, the United States could take the position that Japan is not required, vis-à-vis the Soviet Union, to act as if it had renounced its claim to the Kuriles. The United States could even go farther and support Japan's claim to the Kuriles as against the Soviet Union, although this might tend to throw the territorial provisions of the San Francisco Treaty into doubt. (The Yalta Agreement[9] is not applicable since its terms were not incorporated in the San Francisco Treaty and since the Soviet Union has violated it—top of page 6 of your memorandum. The official position of the United States on the Yalta agreement is I presume as stated in the Senate

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[4] Article 26 of the Treaty obliged Japan to make a similar treaty for 3 years after its coming into effect (April 28, 1952) with any nation which had signed or adhered to the United Nations Declaration of January 1, 1942.

[5] For text of the Instrument of Surrender, see Department of State Executive Agreement Series (EAS) No. 493, 59 Stat. (pt. 2) 1733, or Department of State *Bulletin*, September 9, 1945, p. 364.

[6] Issued by the Heads of Government of China, the United Kingdom, and the United States. For text, see *Foreign Relations*, The Conference of Berlin (The Potsdam Conference), 1945, vol. II, p. 1474. The Head of Government of the Soviet Union adhered to the Proclamation on August 8.

[7] See *ibid.*, The Conferences at Cairo and Tehran, 1943, p. 448.

[8] In the text of the memorandum, Snow spoke of Japan as having "seized" South Sakhalin and the Kuriles from Russia in 1905 as a result of the Russo-Japanese War. In the footnote, Snow pointed out that the North Kuriles became Japanese by an agreement of May 7, 1875, and that South Sakhalin became Japanese by the Treaty of Portsmouth, September 5, 1905. For Snow's comment, see numbered paragraph 4, *infra*.

[9] Apparent reference to the Agreement regarding entry of the Soviet Union into the war against Japan, signed at Yalta on February 11, 1945, by the Heads of Government of the United Kingdom, the United States, and the Soviet Union. For text, see EAS No. 498, or 59 Stat. 1823, or *Foreign Relations*, The Conferences at Malta and Yalta, 1945, p. 984.

Declaration of March 20, 1952,[10] although strictly speaking this declaration applies only to the effect of the Japanese Peace Treaty.)

6. The United States supports Japan's claim that the Habomais and Shikotan are not part of the Kuriles. Any action taken by Japan to establish this claim, such as presentation to the International Court of Justice, should not prejudice Japan's claim vis-à-vis the Soviet Union that it has not renounced its claim to the Kuriles.

The political position the United States should take on this question is not clear, but it certainly will help to have a clear understanding of the legal limitations of our position. I should therefore appreciate your comments on the foregoing.

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[10] For text of the Declaration made by the Senate on the occasion of the ratification of the Japanese Peace Treaty, see Department of State *Bulletin*, May 5, 1952, p. 689; see also *Foreign Relations*, 1952–1954, vol. XIV, Part 2, p. 1216.

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13. Memorandum From the Assistant Legal Adviser for Far Eastern Affairs (Snow) to the Director of the Office of Northeast Asian Affairs (McClurkin)[1]

Washington, February 17, 1955.

SUBJECT

Kuriles and South Sakhalin

You desire comment on your memorandum of February 16, 1955.[2]

1. Paragraph 1 is correct.

2. Paragraph 2 is correct.

3. The Potsdam Proclamation, paragraph (8), reads "The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku, and *such minor islands as we determine*." The Cairo Declaration referred specifically only to "the territories Japan has stolen from the Chinese, such as Manchuria, Formosa and the Pescadores", although it did add "Japan will also be expelled from all other territories which she has taken by violence and greed." The San Francisco Peace Treaty amounts to a "determination" by the Allied Powers as to the "minor islands" which Japan is to renounce. By its terms Japan renounced (a)

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[1] Source: Department of State, Central Files, 661.941/2–1755. Confidential.

[2] *Supra*.

certain islands off Korea; (b) Formosa and the Pescadores; (c) the Kurile Islands, South Sakhalin and adjacent islands; (d) the League of Nation's Mandate System; (e) the Antarctic area; and (f) the Spratley and Paracel Islands. In other words, the Treaty appears to be an implementation of the precise terms of the Potsdam Proclamation rather than an attempt to carry out the vague provision of the Cairo Declaration regarding territories taken by violence and greed.

4. It is quite correct to say that Japan did not acquire the Kuriles by violence, but it might be well to remember that they were for a century a matter of dispute with Russia, and that by the Treaty of Amity in 1855, the frontier between the two countries was drawn between the islands of Etorofu and Uruppu, leaving the two southern Kuriles, Kunashir and Etorofu, to Japan, and the 18 northern Kuriles, beginning with Uruppu, to Russia. The Northern Kuriles remained Russian until the St. Petersburg Treaty of 1875, when, in exchange for Japanese claims to Sakhalin, the northern Kuriles were ceded to Japan. By the Treaty of 1905 at Portsmouth, Japan regained the south half of Sakhalin. You are correct that the text of my memorandum of October 28, 1954, does not make this clear, but I thought I had cleared it up by the footnote.

5. The United States cannot consistently take the position that Japan has not renounced the Kuriles, any more than she could take the position that she had not renounced Formosa and the Pescadores. She must, in view of the position taken by the Secretary and by the United States Senate, contend that their disposition is for future international action. It would be perfectly consistent for the United States to support Japan in the argument that these islands, or part of them, should be returned to Japan by international action, such as an accord among the Allied Powers, including the Soviet Union.

6. The United States is entirely free to support Japan's claim that the Habomai Islands and Shikotan were not part of the Kurile Islands, and therefore not renounced. The reference in paragraph 6 to a possible claim by Japan that as respects the Soviet Union she has not renounced the Kuriles is subject to my comment in paragraph 5 above.

14. Memorandum From the Director of the Office of Northeast Asian Affairs (McClurkin) to the Acting Assistant Secretary of State for Far Eastern Affairs (Sebald)[1]

Washington, February 23, 1955.

SUBJECT

Japanese Reaction to Current United States Position on Japanese Defense Measures

Ambassador Allison and General Hull on February 2, 1955, in an effort to forestall further cutting of Japan's defense budget and to educate the new government on the facts of life, presented a memorandum (Tab A)[2] on Japanese defense measures to the Foreign Office. The memorandum reviewed the principles of the Mutual Security Program, the dependence of United States military assistance on Japan's own defense effort, the fact that contrary to Japanese contentions Japan's agreed contribution to the support of United States forces in Japan ($155 million) is less than half the expenditures for such forces, and proposed that the United States and Japan share on an equal basis the cost for additional expenses for the Japanese defense forces above a mutually agreeable figure. Specifically, the memorandum proposed a base figure of 90 billion yen ($250 million). For example, if Japan were willing to appropriate the 95.2 billion yen ($264 million) requested by the Defense agency, the United States would accept a 2.6 billion yen ($7 million) reduction in Japan's contribution to the support of United States forces in Japan.

This memorandum was in response to an aide-mémoire handed to Ambassador Allison by Foreign Minister Shigemitsu on January 18,[3] which stated that the Cabinet had decided to hold total defense expenditures including the contribution to the support of United States security forces within the framework of the previous year's defense budget and, at the same time, to request the United States to agree to a reduction in Japan's contribution to the support of United States security forces in Japan.

The Japanese press on February 16 (*Kyodo* article attached as Tab B)[4] quotes Finance Minister Ichimada as describing the United States memorandum as "highly regrettable." It is reported that he had hoped to find some solution to the problem of the joint costs of United States forces in Japan through unhurried negotiations after the elections. The

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[1] Source: Department of State, Central Files, 794.5/2–2355. Secret.

[2] Not printed. Tab A, CINCFE Z42147 from Tokyo, February 8, transmitted the text of the February 2 memorandum mentioned above.

[3] The text was relayed to the Department in telegram 1716 from Tokyo, January 18. (Department of State, Central Files, 794.5/1–1855)

[4] Not printed.

Finance and Foreign Ministries and sources in the Democratic Party are reported as considering the United States action, taken at the height of the election campaign, as incomprehensible and one which may invite criticism as a deliberate American attempt to interfere in the internal affairs of Japan. The Foreign Office is reported to be at odds with the Finance Ministry over the role which the United States should play in determining Japan's defense expenditures. As for the 90 billion yen figure, the Finance Ministry is reported to consider that this figure is hardly worth attention in future talks with Washington.

This reaction by Japanese officials and its discussion in the press are evidence of a growing tendency on the part of the Japanese to assert an independent course of action and will make negotiations on Japan's defense budget even more difficult. While the United States position, stated in the memorandum, is consistent with broad instructions given to the Ambassador and CINCFE[5] the text of the memorandum, its timing and its specific contents were not cleared back with Washington. It is our understanding that the Embassy was under considerable pressure from the Command as to the substance of the memorandum.

It can be expected that the Embassy and Command will shortly request permission from Washington to negotiate on a lower base figure than the 85 billion yen presently authorized. In view of the developing political and economic situation in Japan, it is believed that the JCS may now be willing to give the field the authority originally requested to go to a base figure as low as 73.8 billion yen. However, it has become public knowledge that the United States position is that the budget for the Japanese defense forces should be at least 90 billion yen before the United States would even agree to match *additional* Japanese budgetary figures with reductions in their contribution to the United States forces. This appears to the Japanese to be renewed United States pressure on the defense issue, and we believe that it has had a bad effect on United States-Japanese relations.

It is doubtful that Japan will agree to the principle of matching any reduction in its contribution to the support of United States forces with an equivalent increase in its defense budget, even though a more reasonable base figure is eventally authorized. It is more likely that Japan will attempt to reduce, as far as possible, its contribution to the support of United States forces with a view to using some of the reduction for non-defense purposes.[6]

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[5] See McClurkin's memorandum to Sebald, December 23, 1954, in *Foreign Relations, 1952–1954*, vol. XIV, Part 2, p. 1813.

[6] In a letter to H. Struve Hensel, February 28, Sebald urged that the Department of Defense "review its earlier position and agree to give Ambassador Allison and General Hull more negotiating flexibility by authorizing them to endeavor to work out an arrangement within the context of their recommendations of December 15, 1954."

Continued

15. Editorial Note

On March 7, Secretary Dulles and Senator Walter F. George discussed trade matters during a breakfast conference:

"Senator George said he thought the reciprocal trade agreement extension was in considerable trouble, that industries had ganged up against the measure, and he was not at all sure of the outcome. He said it was difficult to expect that Congressmen would not be influenced by community feeling.

"The Senator spoke of the importance of finding markets for Japanese goods outside the United States, and I described the situation which now existed in Vietnam where it seemed likely the Japanese would get in on a competitive basis as against the former French monopoly. He thought this was a good development."

Another portion of this memorandum is printed in volume II, page 337. (Eisenhower Library, Dulles Papers, Senator Walter George)

(Department of State, Central Files, 794.5/2–2855) Concerning the recommendations of December 15, see telegram 1403 from Tokyo, *Foreign Relations*, 1952–1954, vol. XIV, Part 2, p. 1806.

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16. Memorandum From the Acting Assistant Secretary of State for Far Eastern Affairs (Sebald) to the Under Secretary of State (Hoover)[1]

Washington, March 4, 1955.

SUBJECT

Embassy Tokyo's Appraisal of Japanese Election Results

I have summarized for your information Tokyo's telegram No. 2142 of March 3, 1955, copy attached,[2] giving a preliminary appraisal of the February 27 elections in Japan.

1. *General Policies.* The new Hatoyama Cabinet will be a minority government requiring Liberal or Socialist support. It will postpone hard decisions and make palatable those measures it is forced to take. Internally Hatoyama's Democratic Party suffers from dissensions accentuated by the expected brevity of his political life. Hatoyama is emotional, naive in international affairs, and loves public acclaim. He has, however, some extremely able and politically responsible advisers

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[1] Source: Department of State, Central Files, 794.00/3–455. Secret.

[2] Not printed. (*Ibid.*, 794.00/3–355)

who, with the business and financial leaders they represent, will have a restraining effect. Unlike Yoshida he is not regarded as "pro-American" or "reactionary." He is potentially capable of carrying through an "unpopular" but necessary program though it is doubtful that he will.

2. *East-West Relations.* Continued emphasis on improved relations with the Communist orbit can be expected along with contentions that close relations with the United States will not be affected thereby. Initially the Foreign Office will have considerable latitude to pursue hard bargaining tactics with the Russians in New York, but may be undercut by Hatoyama's direct dealings in Tokyo. The Government will increase contacts with Communist China, even to the extent of permitting the establishment of an unofficial trade mission in Tokyo, but will not establish full diplomatic relations.

There will be little inclination to increase political ties with the free world, particularly in efforts to combat Communism in Asia.

3. *Rearmament.* There will be no increase in the defense budget out of Japan's pocket and any increase will be through reduction of Japan's contribution to the support of United States forces. Japan's policy will be justified on the basis of the need for increased appropriations for social livelihood measures and the lack of a firm Diet majority. Hatoyama's advocacy of increased defense efforts will be for the purpose of hastening United States troop withdrawals. The United States will be expected to pay a high price for any added defense efforts by Japan.

4. *Economic Policies.* In its pre-election tenure of office Hatoyama's Government showed an increasingly independent and uncooperative attitude evident in a number of ways. Policies likely to be continued as a result of electoral popularity are expansion of trade with Communist China, expansion of social welfare measures, reduction of taxes and defense expenditures. The new Government will assume that the United States' need for Japan is overriding.

5. *Conclusions.* The new Government will trade on Japan's "indispensability" to the United States to extract maximum concessions for the minimum cooperation. Solution of problems depends on our convincing Japan that its own self-interest requires a change in its basic attitude. In this we can profit by the desire of many leading personalities to consult more frankly and more frequently than was the case with the Yoshida Government.[3]

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[3] During a meeting of the National Security Council on March 3, Allen Dulles gave a review of developments affecting U.S. security. Concerning Japan, the memorandum of discussion reads as follows: "Mr. Dulles then commented that the recently concluded election had produced results almost precisely as had been predicted beforehand. He noted the fact that the two Socialist groups now have over one-third of the seats in the Diet, which would make more difficult the process of revising the Constitution in order to provide the necessary legal basis for Japanese rearmament." (Memorandum prepared by Gleason on March 4; Eisenhower Library, Whitman File, NSC Records)

17. Memorandum From William Leonhart of the Policy Planning Staff to the Assistant Secretary of State for Policy Planning (Bowie)[1]

Washington, March 8, 1955.

1. Attached is NA's revision of its preliminary draft on Japan[2] to which I have appended a number of comments that seem to me to be required in order to make the NA draft acceptable within its own terms of reference.[3] The new NA draft is a vastly improved document, and I think it may be accepted as a basis for NSC Planning Board discussion. What is needed is an interim statement of policy which will correct a number of unrealistic assumptions we have been making about Japan and give us time for a more fundamental reappraisal. The new paper does this admirably in at least three respects:

a. It conveys, more adequately than any policy paper we now have, the limitations that will in the short-run hedge Japan's activity in Asia.

b. It brings into better focus the nature of Japan's alignment with the free world and should make more difficult the early optimism that assumed that Japan's commitment of interest was established and complete.

c. It corrects the present dangerous over-emphasis on a Japanese defense build-up in disregard of the political and economic circumstances of the country.

2. Nonetheless as a policy guide the paper falls somewhat short. It is a guide to the transactional aspects of our relations with Japan. It is a paper in the tactics, not the strategy, of national interest. It is, perhaps, an OCB paper rather than an NSC paper. It avoids many of the critical questions of importance to our longer-range objectives in Japan and the Far East and largely ignores the relevancy of means to desired ends.

3. Even within its transactional framework, the paper leaves something to be desired. Its assignments of priorities first to political stability, next to economic strength, and then to defense capacity (para 6 and *passim*) risks the enfeeblement of the entire range of our policy by bringing our defense efforts—indefinitely—down to the present attenuated levels of our political and economic programs. Over the longer run we need the revitalization of the latter rather than the diminution of the former. We need to come up with something better

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[1] Source: Department of State, Central Files, 611.94/3–855. Top Secret.

[2] Dated March 7, not printed. Regarding the earlier paper, see footnote 3, Document 11.

[3] An attached March 8 memorandum from Leonhart to McClurkin recommending specific changes in the text of the March 7 draft NSC paper is not printed.

than an exhortation to "encourage the development of an effective, unified, moderate conservative government in Japan" and the restricted programs now contemplated to flesh out the words in the paper's economic section (see para 8).

4. In sum, I believe there is still room for a more fundamental appraisal of the Japanese problem and, it seems to me, that this will have to be coordinated under the working level auspices of S/P and not those of the Bureau. Such a study would focus on:

a. The political role of Japan in the Pacific and vis-à-vis the free and the communist Asian mainland;

b. The volume and justification of U.S. support for Japan's investment requirements assuming the existence or the absence of an Asian development program;

c. The effect of technological changes in warfare on U.S. security requirements in Japan;

d. The prospects for political stability in Japan and the capabilities of U.S. influence over these prospects.

5. Both considerations of NSC deadlines and NA's obvious reluctance to relinquish its responsibility for this paper militate against reworking this draft in its entirety. Further, unless we were to do only another interim paper, we would have to anticipate the conclusions of our longer study on an Asian economic program. Accordingly, I suggest we have incorporated in the NSC paper an instruction to the Department to prepare for submission to the NSC at a later date a statement of our long-range policy objectives with respect to Japan.

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18. Editorial Note

At the National Security Council meeting, March 10, during discussion of item 2 on the agenda, "Significant World Developments Affecting U.S. Security", Allen Dulles brought up the projected Japanese-Soviet peace treaty negotiations:

"Mr. Dulles then noted the proposal of the Japanese to conduct conversations with the Soviets in the near future in New York relative to a formal treaty of peace. [*1 sentence (1½ lines of source text) not declassified*] They professed to hope for the return of at least two of the Kurile Islands, as well as the Habbomai and Shikotan Islands. Mr. Dulles thought there was some slight chance that the Soviets might return the Habbomais, but it was not their normal practice ever to relinquish territories which they had once succeeded in occupying.

"Secretary Dulles observed that if it ever transpired that the Soviets gave up any significant part of the Kurile Island archipelago, the United States would at once experience heavy Japanese pressure for the return of the Ryukyu Islands to Japanese control. While it would be contrary to experience to expect the Soviets to return any of their present possessions to the Japanese, they might conceivably be induced to do so precisely in order to increase tension between the United States and Japan." (Memorandum of discussion by Gleason, March 11; Eisenhower Library, Whitman File, NSC Records)

The talks were not held in New York; instead they began in London on June 1.

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19. Memorandum From the Director of the Office of Northeast Asian Affairs (McClurkin) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald)[1]

Washington, March 11, 1955.

SUBJECT

Draft NSC Paper on Japan

Attached is the new version of the draft NSC paper on Japan,[2] incorporating all the staff comments. You can assure Bob Bowie that I accepted nearly all of those made by Bill Leonhart.[3]

There is one aspect of the paper in particular which I wish to call to your attention. In this paper we take a stand that efforts to develop Japan's political stability and economic strength should be given priority in both time and emphasis over efforts to build Japan's military power. This point of view is reflected in a number of ways in the paper. In nearly every case I have stated the position somewhat more strongly than the actual facts justify. Tactically, this gives us room to bargain with Defense in the discussions at the NSC Planning Board, so I hope that if you accept the basic thesis you will agree to let this somewhat over-stated language stand for the present. In this connection, I refer particularly to paragraphs 6(c)[4] and 9(b) and (c).[5]

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[1] Source: Department of State. Central Files, 611.94/3–1155. Top Secret. Drafted by McClurkin. A marginal note by Sebald reads: "Handed to Mr. Bowie and discussed with him."

[2] Prepared in NA, March 11; not printed.

[3] See footnote 3, Document 17.

[4] Subparagraph 6(c) stipulated as a U.S. objective: "To maintain United States air and navy bases in Japan."

[5] Subparagraphs 9(b) and 9(c) read as follows:

Continued

I particularly want to be sure that you agree that—even in this first submission to the Planning Board—we should take the position stated in paragraph 9(c) with respect to the withdrawal of United States ground forces from Japan. Defense will probably argue, with a good deal of reason, that there is simply no place else in the Far East to station these forces.

"b. Consult with the Japanese Government about the rate of Japan's defense build-up and the scope of United States military assistance; agree to progressively increasing reductions in the Japanese contribution to United States forces in Japan, provided that the Japanese devote the sums thus released to the development of their defense forces.

"c. Announce the United States intention to commence a phased withdrawal of United States ground forces from Japan, to be completed by December 31, 1957; transfer responsibilities to Japan's defense forces as rapidly as consistent with United States security interests."

The language of subparagraphs 9(b) and 9(c) continued unchanged, although renumbered as paragraphs 56 and 57, in a March 14 draft. (Department of State, Central Files, S/P–NSC Files: Lot 62 D 1, Japan, U.S. Policy Toward, NSC 5516 and 5516/1) A memorandum from Lay to the Planning Board, March 21, enclosing a new draft, indicated that the March 14 draft had by then been discussed in the Planning Board. (*Ibid.*) The March 21 draft revealed conflict among the Departments of State and Defense and the Joint Chiefs of Staff on the language quoted above and on other military sections, a conflict more clearly delineated in a draft of March 24. Regarding the March 24 draft, see *infra*.

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20. Editorial Note

With a March 24 memorandum to the NSC Planning Board, Lay transmitted a draft statement of U.S. policy toward Japan. Lay stated that the draft had resulted from a Planning Board discussion on March 23 and would receive final review by the Board on March 28. Memoranda of the Board's discussions on March 23 and 28 have not been found in Department of State files.

The military section under "Courses of Action" in the draft of March 24 [2 *pages of source text*] was not declassified. (Department of State, S/P–NSC Files: Lot 62 D 1, Japan, U.S. Policy Toward, NSC 5516 and 5516/1)

21. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, March 25, 1955—6 p.m.

2383. Deptels 1898[2] and 1899.[3] Department efforts in new Japan policy paper to give lower priority to defense capacity and greater emphasis to political and economic stability greatly appreciated. In my discussions with Japanese, I have as much as possible adopted attitude consistent with our recommendations. For this reason I have told Japanese only that we hope for some increase in total defense budget in return for reduction support costs and that we unwilling to bear total burden of increase. I have left indefinite amount of increase in hope that our negotiating position will be sufficiently modified to permit quick agreement without acrimonious discussions.

However problem of avoiding heated and public debate on defense budget complicated by two factors. In first place, until it is possible to obtain defense agreement to new negotiating positions, I feel it is necessary not to wander too far from explicit instructions given me and General Hull. FEC equally concerned adhere to Washington position this matter and we are agreed that it is required to make real effort to present clearly our initial negotiation position as instructed. To certain extent, we have managed to soften impact of these positions on Japanese by indicating that we wish to understand their position and to consider it reasonably. We have, in contrast to Japanese, avoided public statements.

However, Japanese are making it increasingly difficult to hold our fire. That is our second basic problem. When Embassy recommendations made last October, we assumed Japanese would agree to at least token increase in defense budget. Japanese are now down to maximum figure of yen 132.7 billion and there are already inspired press stories mentioning defense budget of yen 1.4 billion and yen 20 billion reduction in yen contribution. Their position is that not only should we finance all of any increase they make but a portion of next year's costs of existing defense forces. Japanese are forcing us to take this stand not to get large increase but just to maintain budget at last year's level after 4.5 billion reduction.

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[1] Source: Department of State, Central Files, 794.5-MSP/3-2555. Secret; Limit Distribution.

[2] Dated March 22, not printed. (*Ibid.*, 794.5-MSP/3-2255)

[3] In telegram 1899, March 22, the Department stressed that it did not want the differences between the United States and Japan regarding the Japanese defense budget and level of Japanese support of U.S. forces to receive undue publicity, particularly because "in agreement Embassy, Department in current discussions new Japan policy paper has been stressing priority in time and emphasis for developing political stability and economic strength. Defense capacity comes third in point priority." (*Ibid.*, 794.5-MSP/3-1955)

I hope Department understands Embassy has not initiated drive for greatly increased Japanese defense effort; on contrary it is Japanese who in press and by handling of provisional budget have initiated campaign for decrease in overall defense effort. Defense budget question is unfortunately not isolated instance of such tactics on part of Japanese. If we bow to such tactics in these defense negotiations, how can we expect to defend and promote US objectives in other matters? Hatoyama government has consistently ignored US interest in handling almost all pending US-Japanese problems such as GARIOA, tariff list, etc., and at same time has made continued concessions to Commie orbit such as latest action on visas to China trade mission (Embassy telegram 2360).[4] Japanese must understand that we are dissatisfied with current attitude toward relations with US. I believe we must therefore adopt firm attitude once we are certain that our positions are equitable and in US interests. What is involved is not question of hard bargaining tactics but effort to convince Japanese our relations must be two-way street and that they, too, have to make concessions. Question as I understand Hensel realized is whether their performance is to be minimum which administration and Congress may be willing to support.

Japanese are far from unconcerned about US attitude. In fact, many top officials are increasingly worried about "Washington" getting the "wrong idea" (see Embtel 2351).[5] I think it is about time we plucked this sensitive nerve. A few discreet expressions of anxiety from "highly placed" sources might serve to keep the Japanese worried. If Hatoyama government stops taking for granted our good will, they may do a little more than making an occasional statement about the need for good relations with US.

Allison

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[4] Dated March 23, not printed. (*Ibid.*, 493.9441/3–2355)

[5] Apparent misreference; telegram 2351 does not treat this subject. (*Ibid.*,103-GSA/3–2355)

22. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)[1]

Washington, April 1, 1955.

SUBJECT

U.S. Policy Toward Japan (NSC 5516)[2]

1. The Joint Chiefs of Staff submit herewith their views with respect to a draft statement of policy prepared by the National Security Council Planning Board entitled "U.S. Policy Toward Japan" (NSC 5516) which is scheduled for consideration by the National Security Council at its meeting on 7 April 1955.

2. The Joint Chiefs of Staff consider that, in general, the draft statement of policy is acceptable from a military point of view. With respect to the divergent views contained in paragraph 35,[3] the Joint Chiefs of Staff would favor the adoption of the Defense–JCS proposal as constituting a more desirable criterion for the determination of the time when the United States should indicate its willingness to initiate negotiations. With reference to the wording of paragraph 52,[4] the Joint Chiefs of Staff suggest that in the fourth line the word "ground" be deleted from the phrase "United States ground forces" and in the eleventh line that the phrase "will be devoted to" be amended to read "will be *matched by Japan and the total* devoted to". Regarding the proposal contained in the footnote to paragraph 52 that "no steps should be taken under this paragraph until the Formosan situation has been clarified", the Joint Chiefs of Staff feel that this would be unnec-

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[1] Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5516 Series. Top Secret. A covering memorandum from Lay to the NSC, April 5, is not printed.

[2] Dated March 29, not printed. (*Ibid.*) NSC 5516/1 is Document 28. For the differences between the two versions, see Document 26.

[3] This paragraph reads as follows: "Indicate [at a suitable early date]* [at a mutually advantageous time]** willingness to negotiate replacement of the present United States–Japan Security Treaty by a treaty of mutual defense which would include the right to maintain forces in Japan and the right upon Japan's request to aid Japan in resisting subversion or infiltration by unfriendly forces." A footnote in the source text indicates the language followed by one asterisk was a Department of State–FOA proposal, while the phrase followed by two asterisks was desired by the Department of Defense and JCS.

[4] This paragraph reads as follows: "Develop with the Japanese Government a general understanding on a long-range plan for the build-up of Japanese defense forces, a phased withdrawal from Japan of United States ground forces as consistent with United States and Japanese security interests, and related reductions of the Japanese contribution to the support of United States forces in Japan; and make such understanding public at a suitable time. In such understanding, seek to obtain Japanese agreement that the amounts released by any reductions in Japanese contributions to the support of U.S. forces in Japan will be devoted to the development of Japanese defense forces." A footnote in the source text states: "Defense believes no steps should be taken under this paragraph until the Formosan situation has been clarified."

essarily restrictive and might serve to delay indefinitely the orderly development of a plan for the build-up of Japanese defense forces and for the phased withdrawal of United States forces. The Joint Chiefs of Staff assume that any such plan which might be formulated would be sufficiently flexible as to permit alteration in the light of contingencies which may develop.

3. The Joint Chiefs of Staff recommend that the foregoing comments form the basis for the Department of Defense position with respect to the proposed policy.

For the Joint Chiefs of Staff:
Arthur Radford[5]
Chairman
Joint Chiefs of Staff

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[5] Printed from a copy that bears this typed signature.

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23. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, April 2, 1955—10 a.m.

2490. Re Embtel 2487.[2] Despite solemn caution against premature publicity re Shigemitsu's proposed trip all morning papers today carry lead stories stating Foreign Minister plans to leave for Washington during next week to be gone week or ten days. Purpose of visit is said to be explanation of Japan's "new diplomacy" and to seek agreement on reduction of Japan's share in joint defense costs.

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[1] Source: Department of State, Central Files, 033.9411/4–255. Secret; Niact.

[2] In telegram 2487, April 1, Allison reported learning from Shigemitsu that the Cabinet had decided to send the Foreign Minister to the United States within 2 weeks in order to get U.S. agreement to a reduction in the yen contribution to U.S. forces in Japan. According to the Ambassador, Shigemitsu stressed that failure of the United States to agree to this might lead to a left-wing government in Japan, while a successful negotiation would increase the prestige of the Foreign Minister and other pro-American conservative elements, and would, he believed, result in formation of a strong pro-American conservative government within a few months.

The Ambassador stated he had replied it would be difficult to receive Shigemitsu on short notice and it would be dangerous for the Foreign Minister to go to Washington and perhaps return empty-handed. In asking Washington for instructions, Allison stressed these two negative factors and pointed as well to the precedent such a negotiation might set in bypassing himself and CINCFE. However, he also suggested:

"There is, I believe, possibility that imaginative response to Shigemitsu plea might pay big dividends. Any such response should be agreed upon prior to departure of Shigemitsu for United States. His visit then could be short and primarily for purpose of placing outward stamp of approval on agreement." (*Ibid.*, 033.9411/4–155)

This completely irresponsible action on part of Japanese Government places U.S. in most awkward position. If we now consent to receive Shigemitsu Japanese will gain impression they can act toward U.S. with impunity in any manner they see fit. If we refuse to receive Foreign Minister we will be charged with "insincerity", with applying undue pressure (although in fact pressure is being applied by Japanese) and we can expect great upsurge of anti-Americanism.

In spite of this, however, I now believe that our best tactic would be to refuse to receive Shigemitsu until and unless some basis for agreement is reached by negotiations in Tokyo. If our action causes present government to fall, which it might, responsibility is clearly theirs. In view of Hatoyama's recent actions I am not at all sure we should be worse off if he were to leave office.

I therefore recommend that I be authorized to tell Shigemitsu that while the President and the Secretary have long hoped to meet with him it is impossible for them to rearrange their schedules at such short notice. Furthermore, it should be made clear that Departments of State and Defense will not be in a position to discuss details and make any agreement unless negotiations in Tokyo with Ambassador and CINCFE have laid proper basis. Japanese should be left in no doubt that attempt to bypass officials on the spot can only delay matters.

Tani has just telephoned me to express his regrets at premature publicity after in his words "your solemn warning". I told Tani that, while I had no instructions, in my opinion this publicity would make it most unlikely that my government could receive Shigemitsu. I pointed out that although there had been press stories for several weeks about a possible special envoy to U.S. that the American Government had not been approached officially or unofficially until less than 24 hours before published story that Shigemitsu was leaving for Washington. I told him I thought Japanese Government had acted in most irresponsible manner and that my government had been placed in extremely embarrassing position. I concluded by saying that while it still might be possible for President and Secretary rearrange their schedules and receive Shigemitsu I was not at all certain this would be case. Tani said he would tell Shigemitsu what I had said.

After talk later this morning with General Taylor I shall forward our combined views.[3]

Allison

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[3] No message along these lines has been found in Department of State files.

24. Telegram From the Department of State to the Embassy in Japan [1]

Washington, April 2, 1955—2:31 p.m.

2010. Your 2487 [2] and 2490. [3] Convey following Shigemitsu as US response his inquiry re early visit Washington.

1. Top level US officials naturally desirous exchanging views leading Japanese but Secretary obviously cannot be involved negotiation specific complex issues such as defense costs.

2. US fully appreciates importance early understanding on Japan's defense program and hopes this can be obtained through narrowing and resolution differences in current Tokyo discussions. Shigemitsu visit could be meaningful only after expert discussions concluded so that high level talks could either confirm joint understanding or seek resolve any remaining policy differences. Believe expert discussions more feasible in Tokyo where they are now in progress.

3. Also appreciate that exchange views with Shigemitsu on broader subjects such as Japanese–USSR talks and Far East situation could be mutually helpful but believe this too requires advance understanding agenda and careful preparation.

4. Shigemitsu or other visit Cabinet level would require rescheduling Secretary's plans this month which would be extremely difficult and it would be impossible for him to be adequately briefed within fortnight.

5. Greatly regret advance publicity prior official exploration Shigemitsu proposal.

6. If Japanese in light of above considerations decide send near future official representative not Cabinet level for general discussion, his basic contact would be Bureau of Far Eastern Affairs and protocol and scheduling problems much easier. However our view is that visit this level would not be productive since we would still feel negotiation defense issues not readily feasible Washington at this stage and lower ranking representative could not speak with authority on broad policy problems.

7. Following specific alternative to Shigemitsu suggestion in form third person message from Secretary could be made public if agreeable Shigemitsu. "Secretary Dulles on being informed by Ambassador Allison of Foreign Minister Shigemitsu's opinion that exchange views in Washington early April would be useful to both governments expressed regret Secretary's schedule does not permit adequate time

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[1] Source: Department of State, Central Files, 033.9411/4–255. Secret; Priority. Drafted in NA, cleared in draft with the Secretary, and approved by Sebald.

[2] See footnote 2, *supra*.

[3] *Supra*.

fully prepare for and discuss matters of common interest with Minister Shigemitsu. Secretary however emphasized interest of US Government in views of Japanese Government on situation in Far East and expressed hope our continuing interchange of such views could be supplemented by visit at later time by Foreign Minister Shigemitsu to discuss broad problems of mutual concern. Secretary also said he appreciated importance of reaching early understanding Japan's defense budget and its coordination with US defense effort in Japan and expressed belief discussions now proceeding Tokyo would lead to early understanding." Coordinate timing any such release with Department.[4]

8. Secretary expects talk with Iguchi this general effect April 3.[5]

Dulles

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[4] In telegram 2500 from Tokyo, April 3, Allison stated that Shigemitsu, after receiving a note based on telegram 2010, agreed to release of this message, and wished to release at the same time his own statement, the text of which the Ambassador had received orally. Allison stated Shigemitsu wished the statements released at noon, April 4, Tokyo time. (Department of State, Central Files, 033.9411/4-355) In telegram 2013, the Department replied that the Secretary's third-person statement would be released simultaneously in Washington at 10 p.m., April 3. (*Ibid.*)

Text of the note sent to Shigemitsu, April 3, and the latter's reply of the same date, are enclosed with despatch 1169 from Tokyo, April 5. (*Ibid.*, 033.9411/4-455)

Subsequently, the Ambassador complained in telegram 2501 from Tokyo, April 4, that he had been embarrassed by a leak of the story, which Japanese officials were maintaining had occurred in Washington and which had resulted in Hatoyama learning the "news from press before he himself [Shigemitsu] was able to get to Prime Minister." (*Ibid.*, 033.9411/4-455) In telegram 2503, April 4, the Embassy presented evidence for its theory that the leak originated with the Washington office of the Kyodo agency and stated its intention to inform the Foreign Office that "all U.S. news agencies here correctly observed embargo and that press leak appears to have been based on Kyodo story." (*Ibid.*) In reply the Department stated that its own investigation confirmed this theory and recommended that the Embassy inform the Foreign Office of the Department's findings and "take action you consider appropriate re Kyodo Tokyo." (Telegram 2027 to Tokyo, April 4; *ibid.*)

[5] Sebald's memorandum of the conversation is *ibid.*, 794.11/4-355.

25. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State[1]

Washington, April 6, 1955.

SUBJECT

NSC 5516—"United States Policy Toward Japan"[2]

1. NSC 5516 is scheduled for consideration by the NSC on April 7. It is based upon a draft originally prepared in the Department.[3]

2. The basic thesis of the paper is stated in paragraphs 21-24.[4] The final sentence of paragraph 24 is repeated in paragraph 49[5] as a course of action: "The United States should avoid pressing the Japanese to increase their military forces to the prejudice of political and economic stability." I believe that it is important to our future relationship with Japan that this point be established. The real difficulty is that every year we have a major struggle with the Japanese over budgetary expenditures. Defense does not believe that the positions they insist we take constitute "pressure". We do. Attached is a table[6] showing the various positions involved in the current defense negotiation in Tokyo. I believe that it would be useful for you in the course of the NSC discussion to refer to this negotiation and to establish that in order to carry out the course of action quoted above we should refrain from insisting that the Japanese spend more on defense this year than they did last year, even though it may mean a lower contribution by them to the United States forces in Japan.

3. Special note might be made of paragraph 32[7] which emphasizes the importance of a solution of Japan's long-run economic problem if it is to play the role we should like it to play in Asia.

4. There is a split position on paragraph 35[8] where we have proposed that we publicly indicate willingness "at a suitable early date" to negotiate a mutual defense treaty to replace our Mutual Security Treaty with Japan. The difference here is entirely one of timing,

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[1] Source: Department of State, Central Files, 794.5/4-655. Top Secret. Drafted in NA and concurred in draft by S/P, E, IO, and FE by Sebald and Baldwin.

[2] Dated March 29, not printed. (*Ibid.*, S/S-NSC Files; Lot 63 D 351, NSC 5516 Series) NSC 5516/1 is Document 28. For the differences between the two versions, see *infra*.

[3] Apparent reference to the March 14 draft. See footnote 5, Document 19.

[4] These paragraphs are identical in NSC 5516 and NSC 5516/1.

[5] This paragraph is identical in NSC 5516 and NSC 5516/1, although in NSC 5516/1 it is renumbered 48.

[6] Not printed.

[7] This paragraph is identical in NSC 5516 and NSC 5516/1.

[8] See Document 22.

and I suggest that the simplest thing to do will be to propose the deletion of the word "early" especially since there is no likelihood that the Japanese will be in a position to negotiate such a treaty in the near future.

5. Paragraph 52[9] calls for the development of a general understanding with the Japanese on a long-range plan for their defense forces, a phased withdrawal of our forces and phased reductions of the Japanese contribution to our forces. Here again the problem is one of timing. Defense wants no steps like this taken "until the Formosa situation has been clarified". The JCS believe this would be "unnecessarily restrictive". I agree with Defense that the *present* Formosa situation makes it difficult to develop an orderly long-range plan. Nevertheless, if the Japanese come to us with a request to endeavor to develop such a plan, I believe that we should be receptive.

Recommendation: I recommend that you support the adoption by the NSC of the draft statement of United States policy toward Japan and that in the discussion you take the positions indicated in paragraphs 2, 4 and 5 above.

[Enclosure]

CURRENT DEFENSE NEGOTIATIONS[10]

1. The JCS position on paragraph 52 reflects the wide difference in view as to what constitutes pressure on Japan endangering political and economic stability. The JCS want reductions in contribution by Japan to the United States forces in Japan to be made only on a matching basis—for example, Japan will be allowed a $20 million reduction in contribution only if that $20 million plus $20 million of new Japanese funds are devoted to defense purposes. This is simply not a practical position for us to take.

2. The position the JCS wants us to take in the current defense negotiations runs directly counter to the proposed NSC policy because it is doing serious damage to hopes of political stability in Japan. The abortive Shigemitsu visit is known to have centered around the defense issue. The USSR response on negotiations with Japan has further shaken the Hatoyama cabinet. Local elections in Japan are April 23. Failure to reach a satisfactory arrangement on the defense issue before April 16–20 will increase the prospect of substantial Socialist gains in these local elections, thus placing more local political machines in the hands of the Socialists. This is particularly dangerous since new national elections in Japan will be brought measurably sooner if the life

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[9] See Document 22.

[10] Top Secret.

of the Hatoyama cabinet is endangered by protracted and (from the Japanese point of view) losing negotiations with the United States over the defense issue. Certainly our hope for an increased Japanese defense effort is more likely of realization if the Conservatives stay in power.

3. It is therefore in the United States interest to reach a settlement with Japan by April 16 or very shortly thereafter on a basis which keeps Japan spending on defense as much of its own money as it spent last year (132.7 billion yen), and is also devoting to Japanese defense purposes a sizable reduction in its contribution to United States forces. It will probably require specific sanction of the NSC and the President in order to overrule the present JCS position rapidly enough to accomplish this end.

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26. Memorandum of Discussion at the 244th Meeting of the National Security Council, Washington, April 7, 1955[1]

[Here follow a paragraph listing the participants at the meeting and items 1–3.]

4. *U.S. Policy Toward Japan* (NSC 5516; Memo for NSC from Executive Secretary, same subject, dated April 5, 1955)

Mr. Dillon Anderson commenced his briefing of the Council by referring to the general considerations with which the subject report commenced. When he had reached paragraph 13,[2] Secretary Dulles interrupted him to say that he disagreed with the first sentence of this paragraph, which read: "Japan's broad objectives are to recover a position of international influence and prestige and to strengthen its economic position." Secretary Dulles said that the first portion of this sentence was simply not factual. We had done everything that we could think of to stir up in Japan a desire to assume a position of international influence once again, and the results had been markedly unsuccessful. Indeed, the Japanese were utterly lethargic and lacking in any perceptible ambition to recover their pre-war international prestige. Even under proddings which approached the brutal, they remained inert.

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[1] Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on April 8.

[2] This paragraph reads: "Japan's broad objectives are to recover a position of international influence and prestige and to strengthen its economic position. Japan considers that increase of defense strength is of lower priority, partly because it believes that its defense will be assured by the United States. While political stability is desired by most Japanese, sharp and persisting conflicts between rival personalities and factions seriously retard its development."

The President then referred to the widespread growth of nationalism which had become obvious in the world since the end of the war. He said that it was very alarming to observe how the Communists had managed to identify themselves and their purposes with this emergent nationalism. The United States, on the other hand, had failed to utilize this new spirit of nationalism in its own interest. While this phenomenon was general, Japan was a notable illustration. Accordingly, if Japan grew more strongly nationalist, we should play up more to this development in order to bend it to our advantage. The President said he was aware that Mr. Streibert and Mr. Rockefeller had been doing a great deal of thinking about this problem; but nevertheless the fact remained that the Communists seemed to be more successful in this area than we did.

Mr. Dillon Anderson inquired whether, in view of these observations, the Council desired to change the first sentence of paragraph 13.

Secretary Dulles repeated his earlier statement that it was simply not a fact that Japan desired to recover a position of international influence and prestige, although it was true that Japan wanted to strengthen her economy.

Governor Stassen said that the position the President had taken with respect to the success of Communist exploitation of national feelings was emphatically true. Accordingly, the United States must try to identify Japan's national objectives with its own. In addition, the United States should place more emphasis on the obvious fact that the Communists ultimately obliterated all national objectives. Governor Stassen indicated his understanding that Mr. Streibert was doing what he could to exploit this fact.

The President suggested that one means of doing this was to stress what we had done in the Philippines as evidence of our sympathy for nationalist aspirations. He repeated his feeling of exasperation over the fact that the assistance which the United States gave to foreign nations was so frequently misunderstood; while the Communists, who were really enemies of these nationalist aspirations, were given a great deal of credit as being friendly to these aspirations.

Governor Stassen indicated that as far as Japan was concerned the situation might be greatly improved when the debts and reparations settlements had finally been concluded. At the end of this discussion the President stated once again that with this nationalist spirit so widespread in the world, the United States must find ways and means to capitalize on it.

Mr. Dillon Anderson, after suggesting a rewording of the first sentence of paragraph 13, continued with his briefing of the paper, and read to the Council paragraphs 21 through 24 of the general considerations, which set forth the problem of building Japanese strength. Thereafter he called attention to the split of views in paragraph 35, which read as follows: "Indicate [at a suitable early date] [at a mutually advantageous time][3] willingness to negotiate replacement of the present United States-Japan Security Treaty by a treaty of mutual defense which would include the right to maintain forces in Japan and the right upon Japan's request to aid Japan in resisting subversion or infiltration by unfriendly forces."

The President stated that he was completely at a loss to understand the difference between "a suitable early date" and a "mutually advantageous time". This appeared to him a distinction without a difference.

Secretary Dulles said he had a more profound disagreement with paragraph 35 than that suggested by the bracketed language. In short, he did not think it wise to supplant our present treaty with Japan with a new one. This could not be done without a grave loss of advantage to the United States. If we suggest a new mutual defense treaty to the Japanese they will certainly want to model such a treaty on the existing mutual defense treaties between the U.S. and South Korea[4] and the U.S. and the Philippines.[5] This would mean that the United States would have to forgo its *right* to maintain forces and bases in Japan, and the privilege of doing so would be dependent on the agreement of the Japanese Government. Moreover, the treaties for mutual defense ran for a much shorter time than is desirable in the light of the present situation. Such mutual defense treaties were subject to termination in a year's time at the behest of either partner. Accordingly, concluded Secretary Dulles, unless pressure in Japan for a new treaty became a great deal stronger than it was at the present time, he was firmly opposed to the proposal set forth in paragraph 35 of NSC 5516.

The President expressed some surprise, because he thought that it was the State Department which had proposed the substitution of a mutual defense treaty.[6] Secretary Dulles replied that whatever the source of the proposal he was strongly opposed to it. The President inquired what we might be expected to gain by a new mutual defense treaty which we do not already have. Secretary Dulles replied that we would gain nothing, with which view the Acting Secretary of Defense, Mr. Robert Anderson, expressed agreement. Accordingly the Council decided to delete paragraph 35 in its entirety.

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[3] Brackets in the source text.

[4] For text of the Mutual Defense Treaty between the United States and the Republic of Korea, signed at Washington on October 1, 1953, see TIAS 3097; 5 UST (pt. 3) 2368.

[5] For text of the Mutual Defense Treaty between the United States and the Philippines, signed at Washington on August 30, 1951, see TIAS 2529; 3 UST (pt. 3) 3947.

[6] Language to this effect appears in paragraph 7(a) (1) of the original NA draft, January 7, cited in footnote 3, Document 11. All subsequent drafts retain (with variations in emphasis) this general recommendation.

Secretary Anderson pointed out the relationship between paragraph 35 and paragraph 52, which called for developing "with the Japanese Government a general understanding on a long-range plan for the build-up of Japanese defense forces, a phased withdrawal from Japan of United States ground forces as consistent with United States and Japanese security interests, etc.". Secretary Anderson warned that if the United States Government suggested such a proposal to the Japanese Government at this time, the substance of it would undoubtedly become public, and the resultant psychological repercussions would be very unfortunate for us in view of the situation in the Far East.

Secretary Dulles then said that he wished to comment on paragraph 44, which read: "Support Japan's claim against the Soviet Union for sovereignty over the Habbomai Islands and Shikotan; treat as legally invalid the Soviet Union's claim to sovereignty over the Kurile Islands and Southern Sakhalin." Secretary Dulles said that he agreed with the first portion of the sentence, but disagreed with the proposals relating to Soviet claims to sovereignty over the Kuriles and Southern Sakhalin. If we carried out this course of action he warned that we would be marching onto very treacherous ground. The Soviet claim to the Kuriles and Southern Sakhalin was substantially the same as our claim to be in the Ryukyus and the Bonin Islands. Accordingly, in our efforts to force the Soviets out of the Kuriles and Sakhalin, we might find ourselves forced out of the Ryukyus and the Bonins. Secretary Dulles cited the terms of the peace treaty with Japan in which the Japanese agreed to confine themselves to the four major islands of the homeland. It was this which enabled us to maintain our own positions in Japanese territories outside the four main islands. He repeated that if we succeeded in getting the Russians out of the Kuriles it is certain that we would be forced out of the Ryukyus.

The President stated with a smile that it was also certain that we would not succeed in getting the Russians out of the Kuriles.

Secretary Dulles emphasized that the Ryukyus were more valuable to the United States than the Kuriles were to the Soviet Union. Obviously, therefore, we should not imperil our position in the Ryukyus. The President agreed to removing the offending phrase in paragraph 44, and pointed out that the only reason he had initially accepted it was because he did not think we had ever claimed sovereignty over the Ryukyus. Governor Stassen suggested that instead of removing the disputed phrase it should be changed to read "do not concede the Soviet Union's claim, etc., etc.". Governor Stassen's suggestion was accepted.

Mr. Dillon Anderson thereupon resumed his briefing of the remaining paragraphs of the paper, dealing first with the military courses of action—paragraphs 49 through 57. When he reached paragraph 52, Secretary Dulles indicated that he opposed the proposal by the Joint Chiefs of Staff for a rewording of the last sentence of the paragraph. The Joint Chiefs had desired to say that "reductions in Japanese contributions to the support of U.S. forces in Japan will be matched by Japan and the total devoted to the development of Japanese defense forces."[7]

Secretary Anderson explained the reasons for the Joint Chiefs' proposal, and indicated his support for it. He thought, nevertheless, that no part of paragraph 52, which involved a long-range plan for the build-up of Japanese forces and a phased withdrawal from Japan of U.S. forces, should actually be set in motion until there was a notable easing of the present tension in the Far East.

Secretary Dulles returned to his objections to the last sentence of paragraph 52, pointing out that the formula which governed Japanese contributions to the support of U.S. forces in Japan as proposed by the Joint Chiefs of Staff, was much too rigid. For every dollar the Japanese gained by being obliged to provide less dollars for the support of the U.S. forces, they were obliged to throw in yet another dollar for creating additional Japanese defense forces.

The President, agreeing with the Secretary of State that this was too much to ask of the Japanese, said we would be making a horrible mistake by pushing these people too hard.

Secretary Dulles then indicated that he wanted to speak on the more general subject of paragraph 52—namely, the build-up of Japanese defense forces. He said that negotiations on this subject were now going on with the Japanese Government. The State Department hoped very much that these negotiations would be completed before the provincial and local elections came up in Japan on April 20. The question of the appropriate Japanese contribution to their military budget would be a very great issue in this forthcoming election. He believed that we had tended to push the Japanese too hard. We must be more cautious, because it was manifest that there was a strong pacifist sentiment abroad in Japan. In part, we ourselves were responsible for this, since we had imposed a pacifist constitution on the Japanese. Over and above these facts, Secretary Dulles pointed out that the Japanese were greatly concerned about their economic situation. To make matters worse, Communist propaganda was capitalizing on all these grievances. So that while Secretary Dulles said he of course realized the importance of rearming Japan as promptly as possible, he could see no sense in doing so if you ended up by putting arms in the hands of people who are going to shoot in the wrong direction. Finally, he feared a weakening of the conservative parties in Japan, with the possibility that the Japanese socialists might eventually gain control. While the elections on April 20 were local rather than national, they were important because those who controlled the local political machinery might eventually determine the results of a national election. To illustrate his point, he compared the situation with the state political machines in the United States and their manifest influence on U.S. national elections. In conclusion, Secretary Dulles hoped that the Department of Defense would come to feel that we should settle this defense contribution issue as quickly as possible, and that the U.S. could make concessions which would help to maintain control of Japan in the hands of the conservatives.

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[7] See Document 22.

Secretary Anderson said, speaking frankly, he could not disagree with the Secretary of State. He said it was of course natural that the Service staffs in the Pentagon should desire to build the defensive strength of Japan as rapidly as possible. But he personally had no real difference of view with Secretary Dulles.

The President cited the case of Turkey as evidence of the rightness of Secretary Dulles' view. The Turks had now more of a military establishment than they were really able to support and cope with. The President also added that more help must be given to Japan to improve its economy. He suggested that a certain amount of trade in Japanese consumers goods with Communist China might assist in solving this latter problem. He added that he gathered that the Secretaries of State and Defense would agree on new language to replace the disputed last sentence of paragraph 52. Secretary Dulles, however, suggested that the Council agree to use the language which appeared in the present draft, but to reject the changes suggested by the Joint Chiefs of Staff in that language. The Council accepted this position.

Mr. Dillon Anderson then went on to describe the economic courses of action and read paragraph 61,[8] with respect to the provision of assistance by the United States to the Japanese economy, both by the extension of public credit to Japan and by widening opportunities for the investment of private capital in Japan.

Governor Stassen said that paragraph 61 was in accordance with existing basic national security policy. Secretary Dulles asked Governor Stassen if he would care to comment on the evident Japanese antagonism to the influx of any significant amount of foreign capital. If this was indeed the case, as Secretary Dulles understood it to be, should the United States not put greater emphasis on trying to induce the Japanese to follow more liberal policies with respect to the investment of private capital?

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[8] This paragraph reads as follows: "Assist the Japanese economy through the appropriate extension of public credit to Japan, the use of technical assistance, the use of local currency proceeds of agricultural surpluses and the widening of opportunities for the investment of Japanese capital."

Governor Stassen indicated that he had made efforts in this direction in all his conferences and contacts with the Japanese. He admitted, however, that the results had been spotty. It was not so much that the Japanese objected in principle and as a general rule to the introduction of all foreign capital or to the activities of all foreign companies in Japan. Their point of view depended on a particular industry or a particular company. The Singer Sewing Machine Company had experienced great difficulties in Japan. On the other hand, International Business Machines, certain of the U.S. oil companies, and Westinghouse had been very successful.

The Director of the Budget confirmed Governor Stassen's appraisal on the basis of his own experience in Japan.

Mr. Rockefeller said that this attitude was closely related to the national feeling of the Japanese. American companies who went along with this Japanese national sentiment were welcome. Those who tried to buck it were not.

At this point, Mr. Dillon Anderson called the Council's attention to paragraph 66,[9] a course of action by the United States to encourage Japan to improve the climate for private investment, both domestic and foreign.

The President then said he wished to go back to paragraph 62,[10] which dealt with efforts to promote the expansion of Japan's trade and commerce. If, said the President, we are going to continue to ignore Japan's evident desire to trade with the Chinese Communists, he would like to have Mr. Dodge's committee (the Council on Foreign Economic Policy) study the validity of the view that such trade between Japan and the Communist states is exclusively bad. After all, said the President, as he had frequently mentioned before, trade was the best weapon of the diplomat. He therefore wanted to see this analysis and study made. In fact, he had been calling for it for over two years, and his request had been ignored.

Secretary Dulles pointed out to the President the uniform Communist practice of funneling trade into the particular channels that they desire, rather than to permit it to be a means of contact between peoples.

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[9] This paragraph reads: "Encourage Japan to relax or remove legal and administrative barriers and to improve the climate for private investment, domestic and foreign."

[10] This paragraph reads: "Promote the expansion of Japan's trade through United States participation in programs of economic development in free Asia; give particular emphasis to development projects which would tend to increase sound intra-regional trade; use Japan as a source of supply to the extent practicable in connection with United States-financed aid programs; encourage Japan to contribute to the development of South and Southeast Asia by providing technical assistance and financing."

Governor Stassen pointed out that the study to which the President had referred had already been given to the Dodge committee to prepare. Unhappily, very strong differences of view had emerged in the Council on Foreign Economic Policy, although a progress report would shortly be presented to the President.[11]

The President observed that of course if the Secretary of State's view on the funneling of trade by the Communists was correct, that would change the whole picture he had in mind when he referred to Japanese trade with the people of Communist China.

Governor Stassen described briefly the problems encountered in the Dodge committee with regard to the problems of trade between Japan and Communist China. The single biggest issue was whether or not to reduce the level of controls on trade with Communist China (CHINCOM controls) to the same level agreed upon for controls on trade with the Soviet Union and the European satellites (COCOM controls).[12] Governor Stassen also emphasized to the President that the Soviets and the Chinese Communists do not want to trade with Japan in consumers goods, but instead wished to buy materials which contributed to the development of heavy industry and war potential.

The President said that it seemed to him that if it were the Communists themselves, rather than U.S.-inspired controls, that represented the chief reason for the failure of any significant trade developments between Japan and Communist China, the least the United States could do was to make this fact perfectly plain and put the blame where it belonged—on the Communists.

Secretary Dulles replied that we had done our best to make it plain that the failure of Japan to achieve a market for its consumers goods in Communist China was primarily caused by Chinese Communist policy.

The President expressed great skepticism as to whether we had succeeded in making this matter clear to the Japanese. To explain what he meant, he referred briefly to his well-known speech on the peaceful uses of atomic energy. Despite the content of this speech, polls recently taken in a variety of foreign nations indicated that not more than one percent of the population of these nations actually believed that the United States was earnestly concerned with promoting the peaceful uses of atomic energy. Thus, while the "big shots" in the Japanese Government may be quite aware that it was the Communists and not the United States which was responsible for Japan's inability to sell its consumers goods in China, the President doubted very much whether the "little people" in Japan really understood this fact and realized that the Communists were at fault.

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[11] For documentation on the activities of the Council on Foreign Economic Policy, see vol. IX, pp. 1 ff.

[12] Documentation on this question is printed in vol. X, pp. 203 ff.

Mr. Rockefeller suggested that progress might be made in this area through the creation of a Joint U.S-Japanese commission on trade and commerce. The President did not seem to react positively to this proposal. He reverted to his point that the Japanese blamed us more for the restrictions on their trade than they did the Russians. They listened to speeches by Senator Knowland and other Members of Congress, and thought that these speeches represented the Administration's policy.

Mr. Dodge commented at the end of the discussion that while the President's point of view had validity from the propaganda angle, he doubted if it was valid from a practical point of view. After all, the consumers goods that the President wanted the Japanese to sell—such as rubber shoes, straw hats and the like—would not be sold directly to the people of Communist China; if they were sold at all they would be sold to a Chinese Communist government monopoly, which would then resell them to the population. Accordingly, there was very little likelihood that trade between Japan and Communist China would help to advance understanding among peoples.

The National Security Council:[13]

a. Noted and discussed the draft statement of policy on the subject contained in the reference report (NSC 5516) in the light of the views of the Joint Chiefs of Staff transmitted by the reference memorandum of April 5.

b. Adopted the statement of policy contained in NSC 5516, subject to the following amendments:

> (1) *Paragraph 13, first sentence:* Revise to read as follows: "Japan's immediate objective is to strengthen its economic position, with a probable long-term objective of recovering a position of international influence and prestige."
>
> (2) *Paragraph 35, and footnotes thereto:* Delete, and renumber subsequent paragraphs accordingly.
>
> (3) *Paragraph 44:* Substitute "do not concede" for the words "treat as legally invalid".
>
> (4) *Paragraph 52:* Delete the footnote thereto, and the word "ground" in the fourth line.

Note: NSC 5516, as amended and adopted, approved by the President; circulated as NSC 5516/1; and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

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[13] Paragraphs a and b and the Note that follow constitute NSC Action No. 1374. (S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[Here follow the remaining agenda items.]

S. Everett Gleason

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27. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, April 8, 1955—4 p.m.

2559. Pass Defense. At Prime Minister's request, General Taylor and I called on him and had hour's conversation yesterday morning. During first part of conversation Hatoyama stressed his deep friendship for US and his desire to work closely and in complete accord with US. He recalled his many public statements in the past as well as his private statement to Secretary Dulles in 1951 that he sincerely believed in necessity for Japan to rearm and to this end for the Japanese Constitution to be amended. He had hoped that in the recent election the conservatives would get two-thirds of Diet seats thus making possible an amendment of the Constitution. However, this had not come to pass and instead Socialists had strengthened their position. Since election, according to Hatoyama, Socialists have increased their popularity among the people and are taking much more intransigent stand than had been anticipated. To date Liberal Party has apppeared more interested in embarrassing Hatoyama government, even if this means working with Socialists, than working for true best interests of Japan. Hatoyama's policy and his many public statements have been designed to cut ground from under Socialists by appearing to embrace many of their objectives particularly in field of social welfare. It is essential, according to Prime Minister, for his government to get through present situation of Diet and this cannot take place if they fail to pass the budget. If it is impossible to secure US agreement to reduction in Japan's defense contribution or to a sufficient reduction, it will be impossible to pass the budget and the government will probably fall. Should this happen it can benefit no one but the left wing. On the other hand, if US will understand Japan's position, have faith in Hatoyama, and make such concessions as necessary to get budget through Diet, Hatoyama maintains he will then be able to begin to achieve his objectives of increased armament and close cooperation with U.S. One of first steps will be effort to achieve amendment of election law providing for smaller one-man districts as it is believed this will ensure at least two-thirds conservative majority next Diet. Hatoyama also said that if government succeeded in getting budget through Diet and surviving present session it would then be possible to work for conservative merger and he would do all in his power to bring this about. At present Prime Minister claimed that the government is in an extremely shaky position and he stated action of Foreign Affairs Committee of Lower House (see Embtel 2546)[2] in passing admonishing resolution against government over failure of proposed Shigemitsu trip was most unfortunate and was an indication of weakness of government's position. I intervened at this juncture to point out that if government had prevented premature publicity of decision to send Shigemitsu to Washington, problem would not have arisen. At least in same degree. Hatoyama then explained that he greatly regretted this premature publicity and that he had assumed from what Shigemitsu had said in Cabinet meeting that groundwork for trip had already been laid. It had come as surprise to him that first notice Embassy had had to [*of*] trip was less than 24 hours prior to newspaper stories. Hatoyama's original intent had been to send Matsumoto as an informal envoy to U.S. for purpose of talking with his many friends there and endeavoring to explain Hatoyama's true intentions with regard to U.S.

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[1] Source: Department of State, Central Files, 794.5/4–855. Secret.

[*1 paragraph (13½ lines of source text) not declassified*]

During the course of the above remarks by Hatoyama both General Taylor and I intervened at several points to explain the American position. We stressed several times the two basic principles (1) that U.S. could not agree to reduction in Japan's contribution to U.S. forces Japan except on the basis of an effective increase in Japan's own defense effort, and (2) that while U.S would share cost of any increase it would not pay the whole cost of such increase.

Hatoyama apparently was under the impression that mere increase in numbers was what we wanted but General Taylor pointed out that such an increase meant nothing unless there were funds available for the equipping and training of increased personnel. It was made clear that a soldier without a uniform or a gun was not of much use. General Taylor also made clear that the only sound basis upon which we could judge whether or not there was an increase in Japan's defense effort was the budgetary criterion. It was pointed out that last year Japan spent on its own forces approximately 74 billion yen and that therefore proposals which had so far been made to us by the Japanese did not indicate, in our opinion, an increase of 20 billion yen but at most an increase of some 6 billion yen.

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[2] According to telegram 2546, April 7, the Committee had on April 6 passed a resolution reading in translation as follows:

"The Hatoyama Cabinet in diplomatic activities has lacked a unanimity of opinion within the Cabinet.

"Besides, its careless handling of diplomatic affairs has greatly soiled the prestige of Japan in the world community.

"Thus, the government has made a serious blunder. This Committee demands that the government reflect sincerely upon its own conduct so that same mistake will not be repeated." (*Ibid.*, 794.13/4–755)

I also took occasion to point out to the Prime Minister as I had previously to Foreign Minister and Finance Minister, that it is important to consider what Japan is doing defense-wise in overall context of American-Japan relations and that looked at from this point of view Japan's record was not good. I referred to delay on GARIOA negotiations, treatment of American traders and investors, Japan's attitude on civil air agreement, as well as several other items. Hatoyama expressed surprise at this and said he had not realized what the situation was! I therefore left with Matsumoto, who was interpreting, an informal statement on these problems.[3] In closing Hatoyama again pleaded for our patience and understanding and said that if we could only go along with him this year every thing would be all right next year. I pointed out that the U.S. had agreed to a reduction last year in Japan's defense contribution on the basis of certain promises as to future performances but that the Japanese Government had unilaterally defaulted on these promises and it was therefore most difficult for us to agree now to anything based on future performance. I said that we would of course give most careful consideration to the problem confronting the Japanese Cabinet but that in my opinion it would be most unlikely that the U.S. could agree to any solution which did not correspond with the two principles mentioned above. While we had now come to realize that there could not be a large increase in Japan's defense effort this year, we could find it extremely difficult to agree to no increase of any sort.

Apparently our conversation has had some slight effect inasmuch as this morning's press stories about our interview imply for the first time that government's original hopes for cutback of 20 billion yen in Japan's defense contribution might be impossible and that not more than between 6 and 10 billion yen could be expected.

However, at same time government is doing everything possible to impress upon Embassy shakiness of its position and probability that if we do not make great concessions Cabinet will fall. At Prime Minister's garden party for ECAFE delegation yesterday afternoon not only Tani but also former Career Diplomat Amau who now has no official position in government, took me aside and spoke of seriousness of Cabinet's position and what a tragedy it would be if U.S. action should cause fall of government. Because of crowds present it was not possible for me to make any considered reply to these observations. I therefore contented myself with listening. However, in my opinion if government should fall it has only itself to blame.

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[3] Not found.

We are now preparing further analysis of situation which I hope to forward shortly.[4]

Allison

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[4] Not further identified; no such analysis has been found.

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28. National Security Council Report[1]

NSC 5516/1 *Washington, April 9, 1955.*

U.S. POLICY TOWARD JAPAN

Note by the Executive Secretary to the National Security Council

REFERENCES

A. NSC 5429/5[2]
B. Memo for NSC from Executive Secretary, subject: "Review of Policies in the Far East", dated March 4, 1955[3]
C. NSC 125/2[4] and 125/6[5]
D. NIE 41–54[6]
E. NSC 5516
F. NSC Action No. 1374[7]

The National Security Council, Mr. H. Chapman Rose for the Secretary of the Treasury, and the Director, Bureau of the Budget, at the 244th Council meeting on April 7, 1955, adopted the statement of policy on the subject contained in NSC 5516, subject to the amendments thereto which are set forth in NSC Action No. 1374–b.

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[1] Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5516 Series. Top Secret.

[2] Dated December 22, 1954; printed in *Foreign Relations,* 1952–1954, vol. II, Part 1, p. 1062.

[3] Not printed. In this memorandum, Lay described the status of plans to revise or supersede a number of NSC papers dealing with East and South Asia. (Department of State, S/P–NSC Files: Lot 62 D 1, NSC 5429 Series)

[4] "United States Objectives and Courses of Action With Respect to Japan", dated August 7, 1952. For text, see *Foreign Relations,* 1952–1954, vol. XIV, Part 2, p. 1300.

[5] "United States Objectives and Courses of Action With Respect to Japan", dated June 29, 1953. For text, see *ibid.*, p. 1448.

[6] "Probable Developments in Japan Through 1957", August 10, 1954. An extract is printed *ibid.*, p. 1697.

[7] See footnote 11, Document 26.

The President has this date approved the statement of policy in NSC 5516, as amended and adopted by the Council and enclosed herewith as NSC 5516/1; directs its implementation by all appropriate executive departments and agencies of the U.S. Government; and designates the Operations Coordinating Board as the coordinating agency.

The enclosed statement of policy, as adopted and approved, supersedes NSC 125/2 and NSC 125/6.

Also enclosed, for information and reference, are a Financial Appendix and an Appendix on "Certain Aspects of the Situation in Japan",[8] which were previously circulated in NSC 5516.

James S. Lay Jr.[9]

[Here follows a table of contents.]

[Enclosure]

STATEMENT OF U.S. POLICY PROPOSED BY THE NATIONAL SECURITY COUNCIL ON JAPAN

General Considerations

Japanese Trends[10]

1. Japan's relations with the United States will continue to be heavily influenced by its dependence upon the United States for economic, military, and diplomatic support; by its estimate as to whether the United States will continue to demonstrate its will and ability to resist Communist aggression without seriously endangering Japan; by the fact that the United States is Japan's largest foreign customer and source of supply (20% of its export trade and 40% of its imports); and to a lesser extent by a still substantial residue of good will for the United States. Accordingly, Japan will almost certainly seek to maintain its present alignment with the United States.

2. Japan will endeavor to reduce its dependence on the United States and will seek greater freedom of international action, including expanded relations with the USSR and Communist China.

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[8] Neither printed.

[9] Printed from a copy that bears this typed signature.

[10] The estimates in paras. 1–18 refer primarily to the period 1955–57. [Footnote in the source text.]

3. Japan has the potential to assume a leading and stabilizing role in Asia. It is unlikely to acquire sufficient strength to do so in the next few years. The rapidity with which Japan attains such strength will depend not only on its own efforts but also on the nature and magnitude of United States support and assistance.

4. Japan will continue to move toward modification of the Occupation reforms, particularly toward increasing centralization of governmental power, but Japan will remain democratic with many differences from prewar authoritarian and imperialistic patterns.

5. Moderate conservative forces, which will be hampered by factional differences and will tend toward greater nationalism, will probably continue to dominate Japanese government and politics. Left-of-center forces will probably offer stronger opposition than in the past few years. The gradual revival of ultra-nationalist forces will continue. A strong and effective government is not likely to emerge during the next few years.

6. Although the Japanese Communist Party is not likely to gain substantial parliamentary strength, it will continue to exercise an important influence through its ability to aggravate popular grievances, to exploit and infiltrate mass organizations and the intellectual leadership of the non-Communist left, and to infiltrate the government.

7. Japan does not appear to have an immediate balance of payments problem, partly due to substantial though diminishing United States special expenditures, and its economic position improved during calendar year 1954. Over the long term, however, particularly in the face of further decreases in United States special expenditures, Japan faces a difficult economic situation of providing employment and adequate living standards for its growing population through an expansion of exports and development of its limited domestic resources.

8. Japan will continue to develop its over-all defense forces at a slow rate, and will seek to adjust the balance of these forces by emphasizing the development of the air and naval components. Japan will continue to rely upon substantial military aid from the United States.

Basic United States Interests

9. The strategic location and military and industrial potential of Japan are such that the security of the United States would require us to fight to prevent hostile forces from gaining control of any part of Japan by attack. Similarly, we would be obliged to assist the Japanese Government, if necessary, to counter subversion or insurrection.

10. United States interests would best be served by a strong Japan, firmly allied with the United States, and better able to serve as a counterweight to Communist China and contribute to free world strength in the Far East.

11. For the present, Japan's alignment with the United States is based partly on dependence on our support. As Japan's strength grows, dependence will lessen and should be replaced by a new sense of common purpose, mutual interests and working partnership. A major effort must be made to persuade Japan's dominant conservative forces that the satisfaction of the nation's economic and defense requirements and desire for prestige, as well as the stability of the conservative position, depend on continuing cooperation with the United States.

12. If a sense of mutuality does not develop as Japan's strength increases, basic United States interests with respect to Japan will have to be reassessed. At present, however, it appears that a strong Japan is a better risk than a weak Japan.

Basic Japanese Interests and Objectives

13. Japan's immediate objective is to strengthen its economic position, with a probable long-term objective of recovering a position of international influence and prestige. Japan considers that increase of defense strength is of lower priority, partly because it believes that its defense will be assured by the United States. While political stability is desired by most Japanese, sharp and persisting conflicts between rival personalities and factions seriously retard its development.

14. Japan currently considers alignment with the United States and cooperation with the democratic nations to be in its national interest, because it believes that in this way it is more likely to attain a position of international importance and economic strength and because it expects that the United States will if necessary defend Japan against attack.

15. At the same time, Japan believes that, within the limits of its alignment with the United States and despite its historical fear of Russia and strong dislike of Communism, it should seek to ease friction, develop trade and broaden relations with Communist China and the Soviet Union.

16. Japan is beginning to display a desire for greater freedom of international action. This tendency reflects a nationalist trend, rooted in racial pride, a longing for national prestige and a desire for greater maneuverability in the event of conflict between Communist China or the USSR and the United States. Development of the healthier and more positive aspects of Japanese nationalism is essential to Japan's

recovery as a major power. Accommodation of this nationalism within the context of the U.S.-Japanese alignment is a basic problem of our policy.

Principal Conflicts Between United States and Japanese Interests and Objectives

17. *U.S. Bases.* Japan recognizes the need for continued military protection by the United States. However, Japan does not regard the threat of aggression against it as seriously as does the United States. Consequently, while the Japanese look upon U.S. bases in Japan as protection for Japan, they also regard them as serving U.S. strategic interests and as dangerously exposing Japan to nuclear attack in the event of war. Furthermore, Japanese policy is colored by serious doubt as to whether an acceptable defense of Japan is possible in the event of nuclear war.

18. *Japanese Rearmament.* Partly because it discounts the danger of direct aggression, Japan puts the development of political stability and economic strength ahead of the development of military power, and resists U.S. efforts to increase total Japanese defense expenditures.

19. *Communist China.* Japan's development of closer relations with the Communist bloc will probably eventually cause serious friction with the United States. The Japanese believe their international interests will be served through early development of closer contacts and expanded trade with the Communist bloc. Pressures in this direction will continue. Currently Japan is restrained from going beyond certain limits by the possible effect on relations with the United States and on trade with Nationalist China and the Republic of Korea.

20. Other sources of conflict are:

a. Japanese resistance to United States private investment in Japan.

b. The Japanese need for trade and the present imbalance of United States-Japanese trade which drives them to want to sell more to the United States than we want to accept.

c. The Japanese sensitivity on nuclear development which leads them to oppose the testing of nuclear weapons in the Pacific and to be vulnerable to Communist-sponsored movements for the banning of nuclear weapons.

d. Irredentism over the Ryukyu and Bonin Islands.

e. Resentment over the continued imprisonment of Japanese war criminals.

f. The nature of a settlement of Japan's GARIOA obligation.

g. Relationships with Japanese trade unions regarding the terms and conditions of their members' employment through the Japanese Government for services to U.S. forces.

Building Japanese Strength

21. Japan has limited economic, political and psychological resources with which to accomplish the demanding tasks of rebuilding internal political strength, economic viability and defense capacity. There is inevitable competition for these limited resources among social, economic and defense programs. A domestic political struggle over an increase in the defense forces is creating cleavages within the country and weakening the political position of the conservative elements. Both economic austerity and the defense program are essentially unpopular with many segments of the Japanese public, and require major political efforts if they are to be achieved.

22. The United States has limited capacity to influence Japanese action. Our bargaining tools and resources of good will and persuasion should be fully applied but carefully apportioned to accomplish our objectives most effectively.

23. While the requirement for an optimum level of defense readiness will continue to exist, it must be recognized that the Japanese Government will in fact determine the total size and composition of the military forces which Japan will support.

24. The security interests of both Japan and the United States require continuing progress by the Japanese toward greater political stability, economic viability and defense strength. Achievement of greater conservative political stability will mean that a Japanese Government can take austere and sometimes unpopular measures necessary to build economic strength and defense forces. Achievement of greater economic strength will mean increased resources available to devote to defense purposes. The amount and timing of the build-up of Japanese military forces should be related to the necessity for developing political and economic stability, as well as military strength, in Japan. The United States should avoid pressing the Japanese to increase their military forces to the prejudice of political and economic stability.

Objectives

25. Preservation of the security and independence of Japan.

26. A Japan allied to the United States.

27. A prosperous, strong Japanese economy, having, within the free world, access to adequate sources of food and raw materials, adequate markets for its industrial and other products, and satisfactory economic relations.

28. A politically stable Japan maintaining the principles of representative government.

29. A Japan capable of defense against internal subversion and external aggression.

30. A Japan willing and able to contribute to the security of the Pacific area.

31. The inclusion of Japan in arrangements in the Pacific area for purposes of mutual security and economic benefit.

Courses of Action

32. The following courses of action should be carried out in such a way as to contribute most effectively to the solution of Japan's long-run economic problem and to its ability to assume an increasing role in strengthening and stabilizing Asia.

Political

33. Promote the development of an effective, moderate conservative government in Japan as basic to the accomplishment of U.S. objectives.

34. Consult with the Japanese Government as an equal on matters of mutual interest, such as Communist strength and intentions in the Far East; countermeasures to be taken by Japan, the United States and the other free nations; political and economic policies in Southeast Asia; Japan's defense planning and United States military assistance; and general international developments.

35. Endeavor to develop a community of interests between Japan and the Republic of Korea, the Republic of China, and the Philippines through offer of United States good offices to help resolve outstanding problems and by encouragement of joint cooperation; encourage the conditions necessary to form as soon as possible and them participate in a Western Pacific collective defense arrangement including these four nations, eventually linked with the Manila Pact and ANZUS.

36. Encourage the development of cooperative relations between Japan and other free nations and associate Japan, to the extent feasible, with multilateral activities carried on in connection with the Manila Pact; and encourage Japan to undertake broader amd more effective participation in the Colombo Plan and the United Nations specialized agencies.

37. Broaden by personal contact, exchange of views and feasible support, the understanding and cooperation of those elements already well-disposed to the United States, in particular business men, government officials, and officers of Japan's defense forces; and also seek to develop and expand contacts with Socialist leaders and trade union officials of moderate views to win their confidence and understanding.

38. Encourage and as appropriate assist the Japanese Government to take effective internal security measures striking at the organizational basis of Communist power and undermining Communist financial and political strength.

39. Encourage the development of a moderate trade union movement.

40. Make full use of U.S political means and, as practicable and appropriate, economic and military aid, including offshore procurement contracts, in order to induce private Japanese groups, particularly employers and unions, to combat Communism vigorously.

41. Expand U.S programs for offsetting Marxist attitudes among intellectual leaders of the non-Communist left and for enlightening the general public and in particular intellectual groups on the Communist danger.

42. Take the position with the Japanese Government that the United States does not object to the establishment of diplomatic relations with the USSR, but does oppose establishment of diplomatic relations with Communist China and would object strongly to political association by Japan with Communist nations in such actions as non-aggression pacts or efforts to facilitate entry of Communist China into the United Nations.

43. Support Japan's claim against the Soviet Union for sovereignty over the Habbomai Islands and Shikotan; do not concede the Soviet Union's claim to sovereignty over the Kurile Islands and Southern Sakhalin.

44. Support and encourage Japan's claims against the Soviet Union and Communist China for repatriation of former military personnel and civilians and for cessation of seizures of Japanese fishing vessels.

45. Seek to associate Japan with United States and international planning for cooperative development of the peaceful uses of nuclear energy; make nuclear equipment and training facilities for peaceful uses available to Japan and exchange nuclear information under appropriate conditions.

46. Expedite the parole of those Japanese war criminals subject to United States control, in a manner not inconsistent with the German war prisoner program, with a view to elimination of this issue if possible no later than the beginning of 1956.

47. Continue to press efforts to gain Japan's fuller association with and membership in the United Nations.

Military

48. Encourage and assist Japan to develop military forces which will eventually be capable of assuming primary responsibility for the defense of Japan. The amount and timing of the build-up of Japanese military forces should be related to the necessity for developing political and economic stability, as well as military strength, in Japan. The United States should avoid pressing the Japanese to increase their military forces to the prejudice of political and economic stability.

49. Consult with the Japanese Government about the rate of Japan's defense build-up and the scope of United States military assistance, in order to make a realistic appraisal of what forces Japan is willing to support.

50. Based upon such an appraisal, reexamine United States goals for Japanese forces and the timing for their achievement, United States military assistance programs to Japan, and the deployment of United States forces in the area; in order to ensure that the minimum requirements for the security of Japan are met.

51. Develop with the Japanese Government a general understanding on a long-range plan for the build-up of Japanese defense forces, a phased withdrawal from Japan of United States forces as consistent with United States and Japanese security interests, and related reductions of the Japanese contribution to the support of United States forces in Japan; and make such understanding public at a suitable time. In such understanding, seek to obtain Japanese agreement that the amounts released by any reductions in Japanese contributions to the support of U.S. forces in Japan will be devoted to the development of Japanese defense forces.

52. Maintain ground, naval and air facilities in Japan which, with the cooperation of Japanese forces, will serve to deter or resist aggression.

53. Continue to develop arrangements with Japan for coordinated military planning and operations, and transfer responsibilities to Japan's defense forces as rapidly as consistent with United States security interests.

54. During the present international tensions in the Far East, maintain the degree of control and authority over the Ryukyu and Bonin Islands now exercised pursuant to Article 3 of the Peace Treaty with Japan. In the interest of good relations with Japan, consider Japanese requests for fuller relations with the Ryukyu and Bonin Islands in such areas as trade, cultural relations, and interchange of nationals, and accede to such requests so far as consistent with United States security or other interests in the area.

55. Work with the Japanese Government in seeking to improve labor relations involving indigenous personnel furnished to United States facilities.

56. Develop with Japan a program for Japanese development of defense and defense-supporting industries and support such a program by offshore procurement with Defense and Mutual Security funds.

Economic

57. Encourage Japan to expand and stabilize its economy so that it will be self-supporting and capable of maintaining gradually improving living standards and defense forces and of contributing to the strength of the free nations of Asia.

58. Encourage the Japanese Government to continue and strengthen appropriate measures of self-help to eliminate non-essential imports, maximize savings, and channel capital into essential areas of the economy.

59. Actively support Japan's accession to GATT and promote the expansion of trade between Japan and other free nations, including the United States, in accordance with GATT principles through the general lowering of tariffs and the removal or relaxation of other government-imposed trade restrictions.

60. Assist the Japanese economy through the appropriate extension of public credit to Japan, the use of technical assistance, the use of local currency proceeds of agricultural surpluses and the widening of opportunities for the investment of Japanese capital.

61. Promote the expansion of Japan's trade through United States participation in programs of economic development in free Asia; give particular emphasis to development projects which would tend to increase sound intra-regional trade; use Japan as a source of supply to the extent practicable in connection with United States-financed aid programs; encourage Japan to contribute to the development of South and Southeast Asia by providing technical assistance and financing.

62. Urge Japan to continue to cooperate with the multilaterally agreed level of export controls on trade with Communist nations; endeavor to handle questions of routine exceptions in such manner as to preserve and foster Japan's willingness to retain the present level of controls; and seek to prevent Japan's becoming dependent upon Communist areas for essential food and raw material supplies and export markets.

63. Encourage and assist the expansion, rehabilitation and modernization of Japan's industries on a sound economic basis; encourage and assist competitive enterprise and improvement of the productive, managerial and marketing efficiency and labor relations of Japanese industry, especially through technical assistance.

64. Encourage Japan to follow internationally accepted trade practices; avoid cartel arrangements; prevent the pirating of designs, infringement of patents and other unfair practices by Japanese businessmen, and to publicize actions taken in this respect.

65. Encourage Japan to relax or remove legal and administrative barriers and to improve the climate for private investment, domestic and foreign.

66. Keep the Japanese Government advised of impending major developments affecting United States expenditures in Japan so as to help the Japanese Government avoid any sudden adverse impact on the Japanese economy.

67. Take appropriate steps, with due regard for security considerations, to exchange technical and scientific information on a reciprocal basis.

68. Urge Japan to settle as soon as possible GARIOA claims and other property and claims matters arising from the war and Occupation; and assist through good offices the settlement of Japan's reparations obligations.

69. Relate United States support and assistance to Japan to Japan's actions with respect to the matters discussed in paragraphs 58, 62, 64, and 65 above.

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29. Telegram From the Department of State to the Embassy in Japan[1]

Washington, April 9, 1955—3:24 p.m.

2074. Your 2572 and 2578.[2] Joint State–Defense message. Concur importance reaching satisfactory understanding with Japanese Government about its defense budget within few days. In doing so must conform principle that all of whatever reduction is agreed in Japanese contribution U.S. Forces Japan devoted defense purposes.

Because of interrelationship offshore procurement spending and Japanese contract authorizations for example for proposed aircraft production program do not want set figure which would hamper your negotiating flexibility. Therefore you authorized accept for JFY 1955 figure satisfactory both you and General Taylor but not lower than 132.7 billion yen for budgeted expenditures by Japan. Much preferred figure would be 137.2 billion yen of which 4.5 billion yen would be regarded as replacement Japanese unilateral cut JFY 1954. Exact distribution 137.2 billion yen subject negotiation but our thinking is it would be distributed 86.8 billion yen for Defense Agency, 8 billion yen for rentals and airport runway extensions and 42.4 billion yen contribution U.S. Forces Japan.

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[1] Source: Department of State, Central Files, 794.5/4–855. Secret; Niact. Drafted and approved by McClurkin who signed for Dulles. Cleared in draft with FE, S/MSA, and the Department of Defense.

[2] In each of these telegrams from Tokyo, both dated April 8, Allison urgently requested fresh instructions from Washington on the defense negotiations. (Both *ibid.*)

Distribution between Defense Agency and U.S. Forces Japan left you and General Taylor negotiate in light importance placed on securing increased Japanese defense forces during coming Japanese fiscal year. However minimum acceptable figure for contribution U.S. Forces Japan is 38 billion yen.

In exchange notes embodying understanding with Japanese on this subject should be statement 4.5 billion yen of Japanese expenditures are regarded as replacement Japanese unilateral expenditures cut JFY 1954. However in this connection want be careful not use language which will prevent us from regarding total Japanese expenditures this year as level from which we start in considering Japanese increase next year. Also in exchange notes include language giving positive assurances it policy and intention Japanese Government devote larger portion own resources defense purposes Japanese Fiscal Year 1956 and ensuing years in accordance expectation expressed Security Treaty that Japan will increasingly assume responsibility own defense.

Proposed text exchange notes should be telegraphed for State–Defense concurrence.

Defense cannot concur position expressed above but accepts this message as being in conformity NSC decision April 7.

Make clear to Japanese interrelationship between their own defense effort and possibility expanded offshore procurement Japan. Less they contribute own defense effort thus increasing share U.S. bears less likely it is U.S. can find funds expand offshore procurement Japan beyond what now programmed.

Dulles

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30. Editorial Note

Following receipt of the instructions contained in telegram 2074 *supra*, Embassy officials and Japanese negotiators, the latter led by Ministers Shigemitsu and Ichimada, engaged in talks which, while intensely argued in matters of detail, resulted in agreement along the general lines of the minimum position stipulated in telegram 2074.

The agreement was announced in a joint press release, transmitted in telegram 2671 from Tokyo, April 19. (Department of State, Central Files, 794.5/4–1955)

The outcome, and some considerations in the negotiations, were summarized in a study prepared in June by the Joint Staff of the Far East Command:

"Agreement reached in the middle of April 1955 provided for an overall defense budget of 132.7 billion yen, including yen contribution to support of U.S. Forces Japan of 38 billion yen which represented a reduction of 17.8 billion yen for JFY 55. The reduction was agreed to by the US in consideration of an agreement on the part of the Japanese Government: (a) to appropriate for the Japanese Defense Agency 86.8 billion yen, carry over about 22.7 billion yen from JFY 54 appropriation, provide the Defense Agency with contract authorization of about 10.2 billion yen exclusive of authorization for F86 and T33 programs, and provide, in addition to the Defense Agency budget, approximately 8 billion yen for the runway extension programs and for compensation to owners and suppliers of facilities used by USFJ; (b) to complete during JFY 55 the increased strength in its defense forces, as programmed, with new personnel being inducted at a constant rate throughout the fiscal year; (c) if the projected programs for the manufacture in Japan of F86 and T33 aircraft should be agreed upon, to provide funds for those programs outside the 132.7 billion yen contract authorization provided for the Defense Agency; (d) to devote a larger portion of its resources to defense purposes during JFY 56 and in ensuing years." (This study, which bears no specific date, is filed as an attachment to a June 27 memorandum from Major General Paul D. Adams, Acting Assistant Chief of Staff, G–3, to H.N. Waddell, Staff Assistant in FE; *ibid.*, 611.94/6–2754)

[*24 lines of this Editorial Note not declassified*]

For text of the Agreement relating to reduction of Japanese contributions under Article XXV of the Administrative Agreement, embodied in notes exchanged at Tokyo August 19, 1955, and entered into force that day, see TIAS 3494; 7 UST 193.

31. Memorandum From the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald) to the Deputy Under Secretary of State for Political Affairs (Murphy)[1]

Washington, April 20, 1955.

SUBJECT

Japan–USSR Relations

Discussion:

1. Japan and the USSR will probably begin talks soon for the restoration of diplomatic relations. I believe the United States should seek to ensure that United States interests are in no way prejudiced, to help Japan to get as much as possible out of the Soviet Union, and to avoid direct involvement or criticism for interference.

2. *Soviet and Japanese Objectives.* Soviet broad objectives are to weaken Japan's alliance with the United States, to establish a mission and possibly consular offices in Japan, and to get confirmation of their territorial position in the Kuriles and South Sakhalin. Japan's objectives are to relax tensions with the Soviet Union, to obtain return of the Habomais and Shikotan and possibly part of the Kuriles, and to develop commercial and fishing relations.

3. *United States Estimate.* Full settlement of all outstanding problems, especially territorial, between Japan and the Soviet Union will be difficult. Japan, however, is eager to normalize relations with the USSR; the Hatoyama Government is committed to this policy and must appear to make progress toward its realization or risk loss of support to leftist elements. Japan may press for a Soviet declaration of termination of war before substantive talks start. The Soviet Union appears to be under no pressure to reach an early agreement or to terminate the state of war and will probably rely on Japanese internal pressures in order to obtain concessions.

4. *United States Role.* The United States is capable of influencing Japan's position, but not that of the USSR. In general we should refrain from public statements on the negotiations. Where our interests are directly affected, as by a possible conflict with the San Francisco Treaty, we should make our views known to the Japanese and Soviet Governments. In other matters we should be prepared to make our views known to the Japanese Government on its request. It will also be

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[1] Source: Department of State, FE Files: Lot 56 D 679, Japan. Secret. Drafted in NA on April 19.

to our advantage to exploit [*less than 1 line of source text not declassified*] serious differences between Japan and the USSR as showing Soviet intransigence.

5. *Substantive Issues:*

(a) *Territory.* Japan wants the Habomai and Shikotan Islands on the theory they are not part of the Kuriles. It is unlikely the Soviets will agree to this. If they should agree they may resort to some device giving them control for an indefinite period, perhaps on a theory comparable to our control over the Ryukyus and Bonins. The Japanese also would like to assert control over all or part of the Kurile Islands, probably on the theory that their renunciation of these islands in the San Francisco Treaty does not give any benefits to the Soviet Union, which did not sign the treaty, and that Japan should not be required to give up territories it did not acquire by greed or violence, the test adopted in the Cairo Declaration. Japan will probably also claim that the words "Kurile Islands" in the Peace Treaty refer only to the "northern Kurile Islands" and do not include the two southern islands of Kunashiri and Etorofu, which historically were never under Russian sovereignty.

United States Position. We should continue to support Japan's claim to the Habomais and Shikotan on the theory that they are not part of the Kuriles and remain part of Japan. It is our view that under the San Francisco Treaty, Japan renounced all claim to the Kuriles and South Sakhalin and that disposition of these territories is pending. The Soviet Union has attempted formally to annex them. There are strong political reasons for encourgaging Japan's claim to at least part of the Kuriles: the Kuriles are strategically important to the free world; Japan and the Soviet Union are the only two logical contenders for the Kuriles although some form of international control is theoretically possible; continued inaction on the part of Japan and the other free nations may constitute tacit recognition of the Soviet occupation. There are also reasons why we should not seek to change the status quo: any United States action supporting Japan's claim to the Kuriles might appear to reflect on our position under the San Francisco Treaty in the Ryukyus and might affect the status of Formosa, which Japan also renounced under the treaty; encouragement of Japanese irredentism in the north might also encourage it in the south; the hostile presence of the Soviet Union on Japan's northern border will serve as a constant irritant in their relations. On balance, however, it would appear desirable that as a minimum we offer no objection to efforts on the part of Japan to get all or part of the Kuriles, either as part of a deal whereby Japan might recognize a valid Soviet claim to South Sakhalin (along the lines of the Japan–Russia treaty of exchange of 1875) or even on the basis of a Soviet recognition of Japan's residual sovereignty over all or part of the Kuriles, comparable to our position in the Ryukyus and the Bonins. We should also support any proposal by Japan to refer territorial issues to the International Court of Justice.

(b) *Red China.* It is possible that the Soviets have an understanding with Red China by which, after the Soviet Union and Japan have reached agreement, they will press for Japan's recognition of Red China and also for Japan's agreement to negotiate a treaty with Red China. The Soviets may also propose some form of the "five principles" for adoption by themselves and Japan. Although Japan is eager to expand trade with Red China, it does not appear willing at this time to undertake negotiations for establishment of political relations.

United States Position. We oppose political relations between Japan and Red China, such as a treaty for opening relations or for non-aggression. We believe Japan will insist that there be no impairment of its relations with Nationalist China, a position we fully support. If appropriate, we should suggest to Japan that it attempt to use any Soviet proposal regarding general principles in such a way as to test Communist sincerity in making these protestations and also to obtain assurances that the Soviets will not interfere in Japan's domestic affairs or in Japan's relations with Nationalist China.

(c) *UN Membership.* Japan would like an unconditional Soviet guarantee to support Japan's application for UN entry. The Soviets will probably say they will support Japan's application as part of a package including other nations friendly to the Soviet Union.

United States Position. We support Japan's entry into the UN but not as part of a package deal.

(d) *Fishing Rights.* Japan wants complete freedom to fish up to three miles off Soviet territory. The Soviets adhere to the twelve-mile limit and may wish to keep the Japanese even farther away.

United States Position. We support the three-mile limit of territorial waters and oppose restrictions on high-seas fishing except under conservation arrangements. We support Japan in its oppostion to Soviet seizures of Japanese fishing vessels beyond the three-mile limit.

(e) *Japanese Detainees in the Soviet Union.* Japan wants these returned and the Soviets will probably agree, subject possibly to reservations about "war criminals" and "technicians".

United States Position. We believe the Soviet Union should return all Japanese nationals it now detains.

(f) *USSR Non-intervention in Japan's Internal Affairs.* The Soviets will probably be willing to give some such assurance.

United States Position. The Soviet Union should not interfere in the internal affairs of other countries. Japan should be very careful to curb the activities of Soviet representatives in Japan.

(g) *Consular Offices.* The Soviet Union may wish to set up consular offices in Japan in places other than Tokyo.

United States Position. Japan should agree to the setting up of consular offices on the basis of strict reciprocity.

Recommendation:

That you approve the United States role set forth in paragraph 4 and the United States positions set forth in paragraph 5 above. Since Shunichi Matsumoto, Japan's chief negotiator, has intimated receptiveness to any suggestions we wish to make, I propose to send a telegram to John Allison giving the substance of the above, after you have acted on this memorandum, and suggesting that in his discretion he discuss the views set forth with Matsumoto.[2]

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[2] The source text gives no indication of action taken. However, in a memorandum to Murphy dated April 23, Sebald referred to Murphy's previous approval of the paper. (*Ibid.*, 661.941/4–2855) The Department, in telegram 2192 to Tokyo, April 22, repeated the substance of these U.S. positions, together with the suggestion that they be taken up with Matsumoto and other Japanese. (*Ibid.*, 661.941/4–1955)

In telegram 2877 from Tokyo, May 10, Allison reported he had been unable to arrange an appointment with Matsumoto. "Today Embassy officer mentioned to Kase, Shigemitsu's special assistant, our interest in exchanging views with Matsumoto. Kase replied Matsumoto currently being briefed in Foreign Office and was appreciative have views in reference telegram which I had passed to Tani." (*Ibid.*, 661.941/5–1055)

In telegram 3045 from Tokyo, May 25, Allison reported on a conversation held that afternoon with Tani as follows: "According to Tani, Matsumoto's movements are so closely watched by press that he felt it inadvisable for him personally to see me and therefore hoped I would accept Tani as a substitute. Tani referred to previous conversations in which I had outlined our thinking on these negotiations and he reiterated that Japanese position was substantially in line with U.S. thinking." (*Ibid.*, 661.941/5–2555)

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32. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, April 26, 1955—7 p.m.

2741. With agreement reached on defense budget, I believe this is good time to evaluate impact of negotiations on US interests in Japan. Evaluation may also be helpful in Congressional presentation of Japan MDA program. Negotiations brought General Taylor and myself into close, and often daily, contact with the top officials of the Japanese Government. They were conducted in tough, tense, and occasionally heated atmosphere and were quite revealing about capacities Japanese Government. It is useful initially review those aspects of agreement which furthered US interests here.

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[1] Source: Department of State, Central Files, 794.5/4–2655. Secret.

First, when the Japanese made a firm commitment to complete its part of the runaway extension program during the next fiscal year, we solved major defense problem with Japan and obtained opportunity for important increase in FEAF capability to operate against USSR-Chinese Air Forces. In past, Japanese have been willing to make commitment on furnishing land for runways "in principle" but not tied to specific schedule. Second, Japanese defense program has for first time been given real momentum, not only this fiscal year but in future. While Japanese commitment for JFY 56 and thereafter is, and could be no more than, a statement of intentions, it is widely viewed both by the press and responsible conservative circles as first substantial commitment Japan has made in post-war to strengthen its defense forces. Indicative of prospect for real Japanese defense effort this year is enthusiasm and optimism expressed by their top defense officials. They cite not only the defense budget of 86.8 billion yen but greatly increased contract authority and receipt of full carryover (about 22.7 billion yen) from last year's defense funds (they had expected to lose 10 billion yen in unobligated JFY 54 funds). Third, with respect to future, Japanese have at last recognized publicly not only need for devoting increased resources to defense but also principle that this year's yen contribution reduction will not be carried over to next year and is extraordinary measure of US cooperation based upon Japanese financial difficulties this year. Fourth, possibility of unilateral reductions during year in defense expenditures at behest of Finance Ministry is reduced considerably by positive commitment not to reduce Defense Agency budget except by mutual agreement. Fifth, Japanese have now recognized that development of defense industry, specifically F-86 and T-33 program, must be outside regular Defense Agency expenditures. Sixth, we obtained restitution of 4.5 billion yen as contract authorization and wiped off books unilateral violation of commitment to US in way which avoided local political consequences.[2]

In addition to these benefits directly related to the defense effort, it is also useful to cite other recent developments flowing at least in part from defense budget negotiations. Refusal to agree to Shigemitsu visit and generally tough bargaining sessions proved rude awakening to Hatoyama government which up to now had been inclined to pay only lip service to need for good Japanese-US relations. Hatoyama personally and those around him have belatedly begun to realize that

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[2] "Contract authorization" lay outside the defense budget proper. In telegram 2678 from Tokyo, April 19, the Embassy reported it had been informed by the Japanese Government that it had approved, for submission to the Diet, additional contract authorization for the National Defense Agency in the amount of 4.5 billion yen. (*Ibid.*, 794.5/4–1955) This 4.5 billion yen figure was not published, but formed part of the total of 15.4 billion yen for contract authorization (including the F–86 and T–33 programs) mentioned in numbered paragraph 2 of the Agreement effected by exchange of notes on August 19.

US cannot be taken for granted, that Japan is perhaps not so important to US as Japanese had come to believe. There are small, but perhaps not entirely transitory, signs of greater Japanese cooperation: Japanese alignment with Free World at Bandung conference has been closer than we would have assumed probable month ago; Communist China Trade Mission has been given pretty much of cold shoulder by responsible government and business circles and Murata (head of the Association to Promote Trade with China) is complaining bitterly, according to informed sources, about the reversal of the Japanese Government position on China trade; and recently there has been far less wishful thinking about forthcoming USSR-Japan negotiations.

Defense budget talks have also served as partial catalyst for increased interest in conservative merger. After elections, Democrats riding on Hatoyama's personal popularity tended to overlook their essentially weak Diet position. However, faced now with need for Diet approval of defense arrangement, there is greater necessity for both joint Diet action with liberals and preparations for subsequent merger.

There is always question of whether we could have gotten greater concessions from the Hatoyama government in the defense negotiations. When Japanese initially considered defense budget negotiations to be held after February 27 election they hoped for compromise which would keep defense budget within framework of last year's budget of 132.7 billion yen. However, it is now evident that, as election campaign grew in intensity, Ichimada and others in thirst for victory made public and private commitments on housing, social welfare, etc. impossible to fulfill unless the defense budget were cut back from 132.7 to about 120 billion yen. In fact, Ichimada who saw personal political advantage to breaking free from US involvement in Defense Agency budget and to devoting savings to social welfare purposes would have preferred to let defense negotiations break down and to reduce Defense Agency budget to 60 billion yen with another 60 going to United States for contribution and rental of facilities. This is evident from what occurred in final week of negotiations. After top-level meeting on April 13 when Japanese side led by Ichimada raised major objections to our proposal of April 11,[3] Ichimada without waiting for US reply and ascertaining if we had retreated position, reported impasse negotiations to Hatoyama and presented his resignation (according to Frank Matsumoto's direct statement to US). Hatoyama was thus presented with alternatives of (1) accepting resignation and risking fall of government (2) rejecting it and letting negotiations fail or (3) rejecting it and seeking through Shigemitsu continue negotiations in hope of compromise within 132.7 billion yen limit. He chose third and at meeting April 15 Shigemitsu exercised authority and Ichimada sat silent through most of meeting. Foreign Office staff assistant who attended all meetings confided to us April 22 that he had fully expected government to fall and that it was only saved by Hatoyama's decision make one more try before breaking with US and by subsequent US concession[4] which made agreement possible within 132.7 billion limit. But to obtain it they had to make concessions which entail political liabilities both present and future.

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[3] Forwarded to the Department in telegram 2605 from Tokyo, April 12. (*Ibid.*, 794.5/4–1255)

Therefore, even with those aspects of arrangement favorable to government, most notably the 17.8 billion yen reduction in support costs (for US forces which may in any event be materially reduced in USFY 56), government faces extremely difficult task in getting Diet to approve budget. There has been considerable press criticism of overall budget for lack of substantially larger expenditures for social welfare. In addition liberals, whose support is required, are not particularly inclined to back new defense agreement. Embassy has been informed by reliable sources that some liberals are privately quite critical, particularly of commitments made on future defense expenditures and runway extension. Liberals plan let Socialists carry burden of attack on defense agreement, while concentrating their direction overall budget—although short of actually forcing Cabinet resignation or Diet dissolution. Democrats are, on other hand, not in strong position to defend arrangement. My negotiations with top Cabinet officials left me with impression of complete lack of coordination, and often lack of knowledge, on part of top Ministers. Ichimada's dissatisfaction with agreement has already been mentioned (Alsop told me he had heard Ichimada still annoyed with me for discomfiting him on campaign pledges and hence his own ambition). Shigemitsu threatened with non-confidence motion. And finally Hatoyama lacks knowledge and physical strength to make dynamic fight in defense of budget.

In view above, arrangement negotiated seems best we could reasonably expect from weak government. Had we pushed Japanese government farther I was convinced, even before we began to get confirmation from Japanese sources, it would have led to Cabinet's fall. Cabinet collapse would not have been consistent with policy set forth in NSC paper (paras 24 & 48).[5] Furthermore, if Cabinet fell, it would have been perhaps months before we would have negotiated any defense budget arrangement.

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[4] On April 14 the Embassy–FEC negotiating team moved to the minimum position authorized in Document 29. The concession reduced the amount asked for yen support of U.S. forces in Japan by 4.4 billion yen to a total of 38 billion yen. (Telegram 2632 from Tokyo, April 14; Department of State, Central Files, 794.5/4–1455)

[5] Reference is to NSC 5516/1, Document 28.

Such arrangement likely to have provided for minimum defense effort on part of Japan, and in any event arrangement far less satisfactory than was agreed. Finally there was always possibility that fall of Hatoyama might lead shortly to socialist government which could be expected to deemphasize defense efforts.

While we achieved arrangement most feasible under present political circumstances this has not been done without certain cost to long-run US-Japanese relations. Negotiations have resulted immediate strain to our relations and strong undercurrent of criticism about US interference—specifically inability sovereign Japanese Government to reach decisions on budget or even to submit any budget to their legislature [without?] lengthy negotiations with US. Japanese believe that root of problem is provisions Article 25 Administrative Agreement which require such bilateral consultations prior to government decisions on budget. Japanese feel that provisions for contribution to US forces are special obligation imposed only on former occupied areas, i.e. Japan and Germany and are therefore carryover from the occupation period. Already half a dozen Japanese bureaucrats (including Foreign Vice Minister Kadowaki) have told Embassy officers that for sake of future US-Japanese relations we must never have repetition of this year's negotiation. There is distinct possiblility that this attitude will lead to demand for revision of Article 25.

If this can be done without real cost to US it may well be desirable since I feel that US-Japanese relations cannot stand too many more of these annual defense negotiations. We have annual budget review with NATO countries but there the background and history of voluntary partnership is altogether different to say nothing of multilateral framework of discussions and radically different circumstances in Europe and Far East. In view of my concern and in light paragraph 51 of NSC paper, I have therefore asked my staff to look into the question of alternative arrangements which protect US interests and are, at the same time, conducive to more mutually beneficial discussions on the defense question. I believe that this is subject which rates Washington consideration and help.[6]

Allison

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[6] Sebald enclosed a copy of this telegram with a memorandum to the Secretary dated April 28. The memorandum indicated Sebald's approval of the proposal in the last paragraph. (Department of State, Central Files, 794.5/4-2855)

33. Memorandum of a Conversation Between Foreign Secretary Macmillan and Secretary of State Dulles, Secretary Dulles' Suite, Mark Hopkins Hotel, San Francisco, June 21, 1955, 4:30 p.m.[1]

BSF MC-1

SUBJECTS

1. Japan
2. Formosa
3. Cyprus

Mr. Macmillan called at his own request on the Secretary at 4:30 p.m. on June 21. His purpose was to continue their private, informal, wide ranging exchange of views.

There was considerable discussion of Japan and its position. The Secretary expressed his disappointment at the failure of the Japanese to pull themselves together for a role of greatness as the Germans were doing under Adenauer. In earlier years the rivalries of Russia, China and Japan maintained an uneasy equilibrium of power in the Asian mainland. Now with Russia and China allied and Japan inert and lacking power, the United States had to maintain more military power in the Pacific area than it would otherwise choose. Were we to withdraw, one could look for a substantial expansion of Communist power throughout the Far East. Mr. Macmillan agreed. He raised the difficult economic problem of Japan and suggested that its natural markets might lie in China. The Secretary pointed out that historically Japan's trade with mainland China had been relatively limited and suggested that the most profitable outlets for Japan lay in Southeast Asia. In these countries, however, the memories of the Japanese occupation were bitter which complicated the development of trade. There was some discussion of the problem that Japan constituted for both Great Britain and the United States rising from its entry into our markets with low-cost, inferior manufactured goods.

[Here follows discussion of the situation in the Taiwan Straits and Cyprus.]

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[1] Source: Department of State, FE Files: Lot 56 F 679, San Francisco Commemorative Meetings—FE. Secret. No drafting information appears on the source text. Livingston Merchant was also present at the meeting, but a note on the source text indicates he missed the first 15 minutes of the conversation. Dulles was in San Francisco for ceremonies commemorating the 10th anniversary of the signing of the U.N. Charter.

34. Telegram From the Department of State to the Embassy in Japan[1]

Washington, July 1, 1955—6:04 p.m.

6. Your 3385.[2] Similar questions raised by Japanese Embassy here. Following our views Malik statement and other Soviet contentions London[3] for communication Japanese Government:

1. Habomais and Shikotan are geographically, historically and legally integral part Hokkaido and not part Kuriles.

2. Yalta Agreement was statement common purpose arrived at by heads three Great Powers. It not meant be self-executing or final determination purposes expressed therein. Japan in any case not bound by terms Yalta Agreement since not party thereto and Yalta Agreement not mentioned Potsdam Proclamation which Japan accepted. Yalta Agreement could not have been determination referred to para 8 Potsdam Proclamation since it was prior Potsdam Proclamation in point time conclusion.

3. Potsdam Proclamation clearly leaves question Japanese territorial determination for subsequent consideration Parties Proclamation. U.S.S.R. cannot unilaterally make this determination.

4. SCAP General Order No. 1[4] merely states Japanese troops Karafuto and Kuriles should surrender to Commander Soviet Forces Far East and does not and was not intended touch upon final disposition these islands.

5. SCAPIN 677[5] was operational directive to Japanese Government tentative in character and specifically states para 6 that it not Allied policy determination of Japanese territory.

6. Under terms San Francisco Peace Treaty Japan relinquished title Kuriles and South Sakhalin but treaty did not transfer these islands to another State. U.S.S.R. recognized treaty as ratified [but?] did not accomplish this since Gromyko proposed amendment Article 2 by which Japan would recognize Soviet sovereignty South Sakhalin and Kuriles. Furthermore Treaty provides no country which has not signed Treaty shall derive benefits from Treaty.

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[1] Source: Department of State, Central Files, 661.941/6–3055. Confidential. Drafted in NA; cleared in draft with L, L/FE, and EE; and approved by McClurkin. Repeated to London and Moscow.

[2] Telegram 3385 was not declassified. (*Ibid.*, 661.941/6–3055)

[3] Meetings between Japanese and Soviet officials began in London on June 1. Telegrams from London and Tokyo containing information on the talks are *ibid.*, 661.941.

[4] Issued September 2, 1945. For text, see Government Section, Supreme Commander for Allied Powers, *Political Reorientation of Japan, September 1945 to September 1948* (Washington: Government Printing Office, n.d.), pp. 442–444.

[5] *Ibid.*, p. 477.

7. Ultimate disposition South Sakhalin and Kuriles has not been determined and is matter to be resolved by future international agreement.

US position regarding foregoing given in detail in claim submitted to ICJ in shooting down B–29 off Hokkaido October 1952. Copy claim[6] sent Tokyo. Japanese Foreign Office concurred this claim.[7]

Dulles

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[6] Not found.

[7] In telegram 68 from Tokyo, July 8, the Embassy reported that the views set forth in telegram 6 had been presented to Tani on July 4 in the form of an aide-mémoire, and that the Foreign Office had asked permission to quote from it in a possible public statement. (Department of State, Central Files, 661.941/7–855) In reply, the Department stated in telegram 55 to Tokyo, July 9, that the contents, if used publicly, should not be attributed to the United States. "We are concerned Japanese make and support their own case without possibility shifting on us failure negotiations to U.S. 'interface' in talks." The United States was, however, prepared to indicate support of a Japanese public position based on the substance of the aide-mémoire. (*Ibid.*)

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35. Memorandum From the Under Secretary of State (Hoover) to the Secretary of State[1]

Washington, July 19, 1955.

On July 16 the Defense Department announced at the Quantico conference[2] that they planned to pull one division of U.S. troops out of Japan. Newspaper clippings are attached.[3]

I called Secretary Wilson July 18 and advised him that Secretary Anderson and Admiral Radford had talked with me about it; that State had agreed to the move in principle; but it would have to be handled with extreme delicacy in Japan. We all recognized that the reduction should be kept in complete confidence at the present time. Our Embassy and military in Tokyo were being consulted on the best method of handling it with the Japanese.

I pointed out that the publicity out of Washington, before we had had a chance to advise the Japanese Government, would make the task more difficult. I also stated that there might be repercussions in

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[1] Source: Department of State, Central Files, 794.0221/7–1955. Confidential.

[2] A 3-day Department of Defense conference on military policy was held at Quantico, Virginia, in mid-July.

[3] Newspaper clippings from *The New York Times*, July 16, 1955; not printed.

Formosa, the Philippines, Korea and Indochina if those countries got the wrong idea, as a result of Chicom propaganda, that we were reducing our support in the Far East.

Secretary Wilson said that he had been guided primarily by budgetary considerations in making the announcement.

I promised to keep him advised of progress in our conversations with the Japanese, and hoped that no further announcements or amplification would be forthcoming until we reached a later stage.

H.

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36. Letter From the Ambassador in Japan (Allison) to the Director of the Office of Northeast Asian Affairs (McClurkin)[1]

Tokyo, July 19, 1955.

DEAR BOB: I appreciated receiving the information on General Lemnitzer's cable C–73002 of June 19[2] regarding his recommendation to retain installations in Japan for two divisions even after the ground forces are re-deployed. As you surmised, the cable was not brought to the attention of the Embassy by the Command.

I wonder what the status of this recommendation is in view of Secretary Wilson's announcement at Quantico. This announcement hit Tokyo like a bombshell, completely surprising (and confusing) the Command as well as ourselves. (I would gather that you, too, had no previous warning.) In fact, Jeff[3] was told this morning by General Rogers that the Command, on instructions from DA, and despite Presidential approval of redeployment plans, has been working on alternative redeployment plans involving the retention of some ground forces units in Japan, in addition to the airborne RCT. The fact that this planning has been going on was not disclosed to us until today and then only in the context of clearing Embtel 151.[4] General Rogers, incidentally, did not mention General Lemnitzer's plan to retain installation here if the ground forces are eventually pulled out.

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[1] Source: Department of State, Central Files, 794.5/7–1955. Secret; Official–Informal.

[2] Not printed.

[3] J. Graham Parsons.

[4] Telegram 151, July 19, reported on the impact in Japan of the redeployment decision and on the desire of the Japanese Government to discuss the decision with U.S. representatives. (Department of State, Central Files, 711.56394/7–1955)

Our hunch is that, if the Army fails—as is apparent—to gain a reversal of the redeployment decision, it will drive hard for a compromise permitting it to retain bases here on the contingency that by USFY '57 circumstances will permit it to bring back from Korea all or part of the ground forces now stationed there. Since this plan may appear attractive both from certain military considerations and as a bureaucratic compromise to appease the Army, I am afraid the Pentagon may be inclined to go along with General Lemnitzer's recommendation. This would be most regrettable since, in effect, the Japanese would be asked to make the major sacrifices in order to satisfy the conflicting "appetites" of our military. It is most unrealistic to assume that the Japanese will docilely agree to our retention of "idle bases" for a rainy day; on the contrary, the Japanese would increasingly insist that bases here must serve Japanese interests only, i.e. not U.S. purposes only indirectly concerned with the defense of the Japanese homeland. The continual land hunger of the Japanese opens such a policy to vigorous and widespread criticism. Renewed vigor in the Japanese drive to contract our facilities has also resulted from the runway extension program. As noted in our telegram 152,[5] the government is on the brink of a major effort, for face-saving purposes, to secure return of all unused facilities.

I think we must face up to the fact that in general the trend is definitely in the direction of restricting, rather than broadening, U.S. rights and bases in Japan. While the government will probably carry through on its commitment on the runways, it is likely to be very resistant toward any more such commitments or any base policies which promise to arouse public criticism. Furthermore, any effort we make to fight this trend head on by insisting on our "rights" is not likely to be successful and can only result in further aggravating our current relations with Japan to the detriment of our long-term base position here.

In view of General Lemnitzer's position on this issue, I do not believe that there is much possibility for pressure from Tokyo to block his plan to retain facilities. Although we will contribute any items which might be helpful, it would appear that the burden of this issue falls on you in your contacts with OSD which, I would hope, could be backed up in the weekly meetings between State and the JCS. Let us know if we can be of additional assistance.

Sincerely,

John

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[5] Dated July 19, not printed. (*Ibid.*)

37. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State[1]

Washington, July 28, 1955.

SUBJECT

Japanese Proposal Reported in Tokyo's Telegram 201[2] for a Mutual Defense Treaty with the United States to replace the present Security Treaty

This proposal is summarized in Tab A. It is a proposal which has been in the wind for a long time and directly and indirectly has been mentioned to us and to the Embassy in Japan informally over the last two years by Japanese government officials, Diet members and private citizens. Japanese Socialists and Conservatives alike have expressed themselves either publicly or privately or both as believing that the present treaty is unequal and that it should be revised. In my view we can, if necessary, maintain the present arrangements with Japan for some little time to come. But the pressure for modification of the arrangements will continue to arise. We should therefore consider seriously whether it is to our interest to explore secretly with the Japanese at this time the possibility of a mutual defense treaty. Some of the factors which need to be considered are:

1. Our present rights are wider than any we can possibly get. However, Tokyo's 201 points out that to some extent these rights are illusory, as has been evidenced in the recent difficulties with the Japanese Government about statements in the Diet on the United States right to bring nuclear weapons into Japan.

2. A mutual defense treaty would involve us in an obligation to defend Japan, which we do not now have. However, the NSC policy says that "the security of the United States would require us to fight to prevent hostile forces from gaining control of any part of Japan by attack". (See paragraph 9, Tab B)[3]

3. There is a real question whether the present Japanese Government is strong enough to get a treaty of this sort through the Diet. Certainly before any public indication that such a treaty is in the wind, we would have to be assured that both Liberals and Democrats in Japan would unite to support the treaty.

4. Although the Japanese now have little to contribute to the mutual defense, they already have an authorized strength of 193,000 men in the armed forces, as compared with less than 100,000 for the Philippines. And the present Japanese Government is committed to a series of further increases over the next few years. In addition, the Japanese Government has recently been much firmer in its support of

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[1] Source: Department of State, Central Files, 794.5/7-2855. Top Secret; Eyes Only. Drafted in NA and concurred in by Murphy.

[2] Telegram 201 [*5 pages of source text*] was not declassified.

[3] Tab B, a series of pertinent quotations from NSC 5516/1, Document 28, is not printed.

the necessary runway extensions and firing ranges for the United States forces and in its public recognition of the necessity of such measures for the defense of Japan.

5. It would be a great step forward toward our objective of tying Japan into collective security arrangements in the Pacific if we can get Japan publicly in a treaty to accept a collective defense responsibility.

6. In the current negotiations with the Soviet Union the Japanese have told the Russians that they do not intend to break their security ties with the United States. I believe that it would be highly useful to us and a serious blow to Russian objectives in the Far East if the Japanese were in the relatively near future to go beyond the present security treaty and commit themselves to a mutual defense arrangement with us.

Recommendation

I believe that the advantages cited above are significant enough that, despite the disadvantages cited, we should consider this whole question carefully with Defense. I therefore recommend:

(1) that copies of Tokyo's 201 be given to Secretary Wilson, Admiral Radford and General Taylor;

(2) that we discuss the whole question carefully with them in the near future; and

(3) if they agree, that we authorize Ambassador Allison to continue informal and personal discussions with Foreign Minister Shigemitsu.[4]

[Tab A]

SUMMARY OF JAPANESE PROPOSAL FOR A MUTUAL DEFENSE TREATY WITH THE UNITED STATES TO REPLACE PRESENT SECURITY TREATY[5]

The basic treaty would consist of mutual defense provisions like those of the Mutual Defense Treaty with the Philippines or the ANZUS treaty. The treaty would be valid for 25 years in order to cope with the Soviet-Communist Chinese alliance which runs until 1980. It would be renewable every five years thereafter.

In addition, certain supplementary arrangements or agreements would be involved:

1. Transitional arrangements for the withdrawal of United States ground forces within six years.

Comment: This is in accord with present NSC policy which provides for "a phased withdrawal from Japan of United States forces as consistent with United States and Japanese security interests". (Paragraph 51, Tab B) The difficult problem would be for us to retain the right—if Defense considered it necessary or desirable to do so—to send our forces back in in case of emergency.

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[4] Secretary Dulles wrote "OK JFD" in the margin beside the three recommendations.

[5] Top Secret.

2. Mutual agreement on the date of withdrawal of United States air and naval forces, but at the latest six years after completion of the withdrawal of the ground forces.

Comment: General thinking here had been that United States air and naval bases would be retained in Japan indefinitely. Subject to advice from Defense, this is a point on which we would want a good deal more favorable arrangements than contained in this Japanese proposal.

3. United States bases in Japan and United States forces there to be utilized for mutual defense purposes only, under arrangements similar to those with the NATO countries.

Comment: The explicit limitation on the use of the bases which the present security treaty allows us to use "to contribute to the maintenance of international peace and security in the Far East" is clearly undesirable.

4. No further Japanese contribution to the support of United States forces in Japan.

Comment: Paragraph 51 of the NSC paper (see Tab B) provides that we should accept reductions of the Japanese contribution in relation to the buildup of the Japanese defense forces and the withdrawal of our own forces. Here it would probably be possible to negotiate a specific phased reduction over a period of years which would avoid the annual wrangle about the Japanese defense budget. We could also probably get some understanding that the amounts thus released would be devoted to the development of the Japanese defense forces.

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38. Telegram From the Department of State to the Embassy in Japan[1]

Washington, August 1, 1955—7:15 p.m.

205. Eyes only Ambassador Allison. Your 201[2] and 269.[3] I can see both pros and cons to moving in direction replacing present US-Japan

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[1] Source: Department of State, Central Files, 794.5/8–155. Top Secret. Drafted in NA, cleared in draft by Dulles, and approved by Robertson who signed for Dulles.

[2] See footnote 2, *supra*.

[3] In telegram 269, August 1, Allison reported that the Japanese Diet had adjourned without passing certain defense measures. He attributed this partly to the impact in Japan of "premature" publicity with regard to deployment of atomic-capable weapons in Japan and Okinawa. These events, he continued, might make it impossible for

Continued

Security Treaty with mutual defense pact. In any event however we would have to be certain Japanese Government could deliver Diet ratification which would be true only if there were firm assurance both Democrats and Liberals would support it. I do not want to open up the treaty we have when we are not sure of a treaty to replace it.

I am sending three copies your 201 to Defense and will discuss subject thoroughly with them before making more substantive reply.

Meanwhile I suggest you tell Shigemitsu this obviously most important and difficult subject which will require careful thought and which you are referring your Government. In order help your Government's consideration you will be glad pass along any further elaboration Shigemitsu's ideas. Whole subject will be most closely held in US Government—as you assume it is in Japanese Government—to prevent any hint reaching public it being considered.[4]

Dulles

Shigemitsu to proceed with his plan for revision of the Security Treaty. (Department of State, Central Files, 794.5/8–155)

[4] In telegram 300 from Tokyo, August 3, Allison stated he had spoken to Shigemitsu on that day along the lines suggested in telegram 205, had urged Shigemitsu to obtain some support for his plan from the Liberal Party, and had "discouraged any thought it might be possible for final action to be taken" during the projected visit of Shigemitsu to Washington. (*Ibid.*, 794.5-MSP/8–355)

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39. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, August 4, 1955—10 a.m.

299. Shigemitsu told me last night that despite failure to get Defense Council bill and constitutional revision study bill through Diet, Cabinet was determined to press forward in these fields. There has therefore been formed an Inner Cabinet Council on National Defense (see Embtel 297).[2] According to Shigemitsu this council, although a strictly government body has approval of Ogata and Liberal Party.[3]

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[1] Source: Department of State, Central Files, 794.5/8–455. Confidential.

[2] Dated August 3, telegram 297 contains a detailed description of events surrounding formation of the Council. (*Ibid.*, 794.5/8–355)

[3] Taketora Ogata, President of the Liberal Party and former Vice Premier in the last Yoshida Cabinet (1953–1954).

A bipartisan group of Diet members has been formed to press forward study of constitutional revision and a meeting was held yesterday afternoon at which both Ogata and Shigemitsu were speakers. Shigemitsu believes this group of Democratic and Liberal Party leaders will do much to further cause of conservative merger.

With respect to defense matters Foreign Minister gave me an "oral statement" full text of which is being pouched.[4] This reports formation of Inner Cabinet Defense Council charged with formulating long-range defense plan for Japan. Paragraph 2 of statement requests as detailed information as possible on strength of US forces in Japan for consideration in developing Japan's own defense plans. Paragraph 3 of statement refers to press reports of possible withdrawal of US forces and states Japan "should be kept informed in detail of such a plan". Paragraph goes on to request "precise information" be furnished "in advance" on areas concerned, order and time of withdrawal, etc.

[*2 paragraphs (15 lines of source text) not declassified*]

Copies of this message and document in question are being given FEC.

Allison

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[4] Enclosure to despatch 117 from Tokyo, August 5. (Department of State, Central Files, 794.5/8-555)

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40. Editorial Note

On August 20 in Tokyo, there took place an exchange of notes between the United States and Japan. For background, see Document 30.

The Embassy's translation of the text of the Japanese note [*2½ pages of source text*] has not been declassified. It and the United States reply were enclosures to despatch 180 from Tokyo, August 26. (Department of State, Central Files)

41. Memorandum From the Acting Assistant Secretary of State for Far Eastern Affairs (Sebald) to the Secretary of State[1]

Washington, August 23, 1955.

SUBJECT

Japanese War Criminals

1. Paragraph 46 of NSC 5516/1, which was approved by the President on April 9, 1955 states: "Expedite the parole of those Japanese war criminals subject to United States control, in a manner not inconsistent with the German war prisoner program, with a view to elimination of this issue if possible no later than the beginning of 1956." (Tab E)[2]

2. In accordance with this policy, and in view of overriding political considerations in our relations with Japan, Mr. Robertson approved a memorandum to you (Tab A)[3] recommending that Japanese war criminals subject to our control be reduced to a hard core of approximately 50 by the end of the year by expediting present procedures of the Clemency and Parole Board or, failing in this, that you authorize a recommendation to the President for mass parole to the desired level. There are presently 210 Japanese war criminals subject to United States jurisdiction as opposed to 66 Germans. The alternative to these recommendations is to maintain present procedures which will delay the elimination of this issue for more than two years but will maintain judicial forms.

3. The Department of State representative on the Board[4] stated (Tab B),[5] and the Acting Legal Adviser concurred (Tab C),[6] that the Board is not properly concerned with political considerations and that its procedures based on the merits of the individual case will not result in release of all but 50 by the end of the year. This position seems to me to be in conflict with the NSC policy.

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[1] Source: Department of State, Central Files, 611.9246/8–2355. Secret. Drafted in NA.

[2] Document 28.

[3] Dated August 10, not found attached. Among the considerations mentioned by Robertson were: (1) far more Japanese than German war criminals remained subject to U.S. control; (2) the probability that the seven remaining major Japanese war criminals convicted by international tribunal would be paroled by April 1956; (3) a Soviet promise at the London talks between the Soviet Union and Japan to release war criminals in its custody following normalization of relations: (4) the policy on the question set forth in NSC 5516/1; and (5) the representations of the Japanese Government. (Department of State, Central Files, 611.9426/8–1055)

[4] Conrad L. Snow.

[5] Snow's August 11 memorandum to John M. Raymond, not found attached. (Department of State, Central Files, 611.9426/8–1155)

[6] Raymond's August 11 memorandum to Robertson, attached but not printed.

4. EUR (Tab D)[7] nonconcurs in FE's recommendations on the basis that the introduction of political considerations would impugn the conduct of the war crimes trials and would unfavorably affect the German war criminal situation.

Recommendation

That Mr. Robertson's recommendations of August 10 (Tab A) be approved.[8]

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[7] Memorandum from Livingston T. Merchant to Robertson, August 18, not found attached. (Department of State, Central Files, 611.9426/8–1855)

[8] The source text bears no action notation by the Secretary, nor has record of his action in the matter been found elsewhere. In an August 23 memorandum to the Secretary, however, Herman Phleger stated his concurrence with the views of Snow and Raymond. (*Ibid.*, 611.9426/8–2355) Telegram 1870 to Bonn, January 11, 1956, stated that as of that date there were still in confinement 158 Japanese war criminals under U.S. jurisdiction. (*Ibid.*, 694.0026/1–1156)

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42. Memorandum of a Conversation, Department of State, Washington, August 24, 1955, Noon[1]

PARTICIPANTS

The Secretary
O—Mr. Henderson
FE—Mr. Sebald
FE—Mr. McClurkin
FE—Mr. Hemmendinger
FE—Mr. Finn

Arrangements

Mr. Sebald explained that the purpose of the meeting was to prepare US positions for the three business sessions with the Japanese Delegation, headed by Foreign Minister Shigemitsu. He noted that the Japanese representation was complicated by questions of Japanese domestic politics, i.e., Mr. Kishi would in fact be a representative of the Japanese Democratic Party, Mr. Matsumoto, the personal representative of Prime Minister Hatoyama, and Mr. Kono would play a more independent role.[2] We had, however, instructed Tokyo to inform Hatoyama that Shigemitsu as head of the delegation would decide who attended meetings.

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[1] Source: Department of State, Conference Files: Lot 60 D 627, CF 533. Secret. Drafted by Richard R. Selby of the Reports and Operations Staff. The source text indicates this meeting was a briefing session for Secretary Dulles for the visit of Foreign Minister Shigemitsu who was in Washington August 25–September 1. Substantive discussions began on August 29.

The Secretary raised the question of the necessity of translation facilities and Mr. Sebald indicated that Mr. Shigemitsu was able to conduct negotiations in English and that in any case he would have Frank Matsumoto, fluent in English, along with him. Mr. Sebald said he wanted to avoid point-by-point translation in Japanese.

Agenda

Mr. Sebald pointed out that it had not been felt necessary to prepare briefing papers for the Secretary on the results of the Geneva meeting and on the Ambassadorial talks with the Chinese or on the October Foreign Ministers meeting.

Mr. McClurkin stated that Shigemitsu would like to receive from the Secretary a general picture of the world situation with emphasis on the Far East and in turn would give his views based particularly on his long experience in China.

Mr. Sebald stated that an informal agenda had been prepared based on several exchanges of cables with Ambassador Allison, although there was no final agreement with the Japanese on the agenda. The talks would probably afford an opportunity to draw out the Japanese on several issues including relations with the USSR and Red China trade.

The Secretary asked about Mr. Kase[3] and Mr. Sebald indicated that he was the right hand man to Shigemitsu and that the Secretary had seen him recently prior to Kase's going to New York as Japanese Observer to the UN.

Mutual Security Treaty

The Secretary posed the question of our negotiating a mutual security treaty with the Japanese, perhaps superimposing it on the present security treaty.

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[2] Allison submitted a lengthy evaluation of Shigemitsu's political standing in telegram 409 from Tokyo, August 12. He commented on the visit as follows:

"On Japanese side, Shigemitsu visit to Washington is primarily internal political move, which he hopes will better his personal chances here, and which some other politicians support as means of bolstering position of Hatoyama and Democratic Party. This political ambition largely explains timing of visits by Kono and Kishi to overlap Shigemitsu's. Various individuals and cliques want to keep eye on each other, prevent rivals from monopolizing any political gains which may result from Washington talks. Shigemitsu visit, however, will also of course be intended at same time to serve Japanese foreign policy purposes, which he sincerely pursues except where his personal ambitions conflict." (*Ibid.*, Central Files, 033.9411/8–1255)

[3] Ambassador Toshikazu Kase, Permanent Observer at the United Nations.

Mr. Sebald stressed the overwhelming desire of the Japanese to get American troops out of their country. He also stated that it was very doubtful that the present government had the strength to accede to a mutual defense type of agreement unless they could obtain a politically attractive quid pro quo.

The Secretary suggested that a U.S. obligation to defend Japan would meet this point.

Mr. Sebald stated that the Japanese believe that in practice they already have this, or at least do not appreciate the lack of such an obligation.

Mr. McClurkin stressed the inadvisability of unnecessarily reopening negotiations on the status of forces agreement under which we had our bases rights.

Mr. Hemmendinger noted that under this agreement we had the right to dispose an unlimited number of troops in Japan—a situation which did not obtain in Korea or in the Philippines where consultation was required. This right to consult might provide a bargaining point with the Japanese.

Mr. McClurkin noted the recent campaign by Minister of Defense Sunada, for Japanese rearmament and US withdrawal.

Mr. Finn stated that at one point (1950) there were 185,000 troops in Japan, that there were now approximately 113,000 and that the figure would be cut to 76,000 in the next twelve months. This figure included Air and Navy as well as Army.

Mr. McClurkin added that the reduction for the next twelve months did not include a cut in air and naval forces and that the Japanese envisaged our retaining air and navy bases after the departure of US land forces.

Mr. Finn stated that the Japanese probably would contemplate limiting their commitments under any mutual defense agreement to Japan and to the US territories in the West Pacific excluding Korea and Formosa.

The Secretary suggested that this was a step forward in that we at present have no commitments at all from the Japanese.

Mr. Finn indicated that the Japanese had made it clear to Embassy officials that in event of a new outbreak of hostilities in Korea or fighting on Formosa the Japanese would not consider themselves bound to afford us the use of our bases and that a new exchange of notes similar to that undertaken in 1951 would be required.[4]

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[4] Reference is to the exchange of notes on September 8, 1951; see footnote 4, Document 8.

The Secretary noted that the 1951 exchange of notes had to do not with US uses of Japanese bases but their use by UN forces; that the Japanese had no jurisdictional basis for questioning our use of the bases, regardless of what political interpretation they might choose to put on the agreement.

Defense Costs

Mr. Sebald stressed the importance of the defense aspects of the visit and the need to reach an understanding with the Japanese on the reduction of our forces and a concomitant reduction in the Japanese financial contribution.

The Secretary asked whether it was clear that the Japanese wanted the withdrawal of American forces in Japan, stressing the importance of these forces as a source of dollars.

Mr. Hemmendinger estimated that 500 million dollars had reached the Japanese economy by this means last year but that the sum would be smaller this year.

Mr. McClurkin noted that the Japanese have not asked for reduction in either air or naval forces.

The Secretary suggested that a basic question was whether the Hatoyama Government was strong enough that we wished, by concessions in forthcoming negotiations, to give it a political livelihood. If it was likely to fall in the near future, there was no point in using up our ammunition only to face a later government which would simply raise the ante. It might be desirable to play our cards close to the chest as we had done with Yoshida.

Mr. Sebald estimated Shigemitsu's political future as most doubtful as well as that of Hatoyama himself. He thought there would be no harm in a commitment to sit down and talk over matters in the near future. Our real problem was the annual negotiations on the Japanese contribution to defense costs. The negotiations last year had put an unbearable strain on Japanese-US relations, almost bringing down the Japanese Government.

Mr. Hemmendinger, noting that the Hatoyama Government was following the same policies on defense as had the Yoshida Government, stated that our aim should be a three or four year schedule of payments to be negotiated between now and November. Mr. McClurkin noted that the present Japanese contribution was $105,000,000.

The Secretary asked if an agreement of this sort would be honored by subsequent Japanese Governments. He suggested that the Japanese have not made up their minds what their future role in the Far East should be and that they are presently operating on a very short term basis seeking maximum concessions on each issue.

Mr. McClurkin stated that an agreement similar to the Korean Minute[5] would be desirable, that is, a general statement of policy and intent relating to Japanese contribution, the size of American forces and the magnitude of Japan's own defense expenditures.

War Criminals

The Secretary asked if Mr. Shigemitsu would raise the question of war criminals. He noted that there was a split position within the Department and that the issue as presented was too complicated to decide at the briefing session.

Mr. Sebald stressed the overriding importance of political considerations and the invidious comparison between the number of Japanese still in prison and the number of Germans similarly held.

The Secretary characterized the comparison of numbers as a stick with which to beat the dog. The real political issue was not whether there were 150 or 50 prisoners still in Sugamo but whether there were any at all and the impression abroad that this constituted an example of the victor imposing his will on the vanquished. The Secretary also said he did not see why the problem of Japanese war criminals should be necessarily tied to that of the Germans.

The Secretary raised the possibility of turning the remaining prisoners over to the Japanese Government for handling on their own responsibility. The Japanese actions would thus of course be subject to judgment by world opinion.

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[5] For text of the Agreed Minute of Understanding signed at Seoul on November 17, 1954, by representatives of the United States and the Republic of Korea, see 6 UST (pt. 3) 3919.

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43. Memorandum From the Acting Assistant Secretary of State for Far Eastern Affairs (Sebald) to the Secretary of State[1]

Washington, August 26, 1955.

SUBJECT:

Far East Command Views on Japanese Defense

I have attached as Tab A a copy of CINCFE radio C-73761 of August 24,[2] which you requested Mr. Gray to make available to the

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[1] Source: Department of State, Central Files, 794.5/8-2655. Secret. Drafted in NA.

[2] Not printed.

Department. General Lemnitzer's views as outlined in the attached radio are essentially that Hatoyama has authorized the release of much important information on Japanese defense planning in order to help Shigemitsu in Washington and that this attitude indicates that the time is propitious for the United States to press the Japanese for two important understandings: (1) Assurance that Japan will continue to develop its ground forces beyond the 180,000 level now planned including sufficient supporting forces and (2) recognition by Japan that the United States must retain air, naval and ground-logistical bases in Japan on a long-term basis.

The favorable developments cited by General Lemnitzer are Hatoyama's declaration that he hopes Shigemitsu can gain the confidence of the United States regarding Japan's long-term defense program and a number of statements by Japan's new Minister in Charge of Defense, Sunada, to the effect that a six-year defense plan calling for build-up of ground forces to 180,000 within three years on condition of "withdrawal of United States Security Forces in Japan" has been approved, that Japan should spend about 15 billion yen more each year on defense, and that the Defense Agency should be elevated to the level of a Ministry.

My comments on General Lemnitzer's radio are:

1) I do not agree with paragraph three of General Lemnitzer's radio that Sunada's statements have generated practically no adverse public or political reaction. I have attached as Tab B Embassy Tokyo's telegram 536[3] stating that Sunada has been asked by the Cabinet to tone down his statements since they were embarrassing to the Government. There is a very considerable furor over introduction of Honest John rocket launchers into Japan and over efforts of the Japanese Government to obtain land for airfield extensions.

2) A ground force of 180,000 is the optimum effort Japan appears willing to make at this time. To get a Japanese assurance now that it will develop beyond 180,000 is highly unrealistic, although I believe we may be able to get such an assurance in several years if the climate in Japan continues to improve.

3) Japan's six-year plan is being formulated largely on the assumption that it will pave the way for withdrawal first of our ground forces and later of our air and naval forces. It will, therefore, be difficult to persuade the Japanese of the necessity of our retaining air, naval and particularly ground-logistical bases on a long-term basis. Our long-term needs in Japan, especially for ground force installations, require careful study.

4) Our policy as expressed in the NSC paper is not to prejudice Japan's political and economic stability by pressure for military increase. I think this policy is already paying off and that we should allow the climate in Japan to continue to improve before we press for a better Japanese effort.

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[3] Dated August 25, not printed. (Department of State, Central Files, 794.5/8-2555)

44. Memorandum of a Conversation, Department of State, Washington, August 29, 1955[1]

SUBJECT

First Meeting with Shigemitsu: International Situation; Communist China; Japan's Talks with USSR

PARTICIPANTS

Japan

Foreign Minister Shigemitsu
Minister of Agriculture & Forestry Kono
Secretary General of Japan Democratic Party Kishi
Ambassador Iguchi, Japanese Embassy
Ambassador Kase, Japanese Observer UN Delegation
Minister Shima, Japanese Embassy
Deputy Chief Cabinet Secretary Matsumoto

United States

The Secretary
G—Mr. Murphy
Ambassador Allison
FE—Mr. Sebald
P—Mr. McCardle
NA—Mr. McClurkin
NA—Mr. Finn

The Foreign Minister stated that he had been looking forward to meeting the Secretary personally and that this meeting would give him real pleasure. He noted that the Secretary had been the principal architect of the friendly relations now existing between the United States and Japan and said that on behalf of the people of Japan he wished to express lasting gratitude.

The Secretary expressed pleasure at the opportunity of meeting the Foreign Minister and his associates, adding that he is always interested to meet friends from Japan because he takes a lively interest in Japanese matters as a result of having worked to bring about the Treaty of Peace. He commented that the Treaty is unique for its spirit of reconciliation and absence of vengefulness. The Secretary said that the United States desired a treaty of this sort because of its high regard for Japan's potential as a great nation able to exert a constructive influence. He observed that despite small differences wide areas of agreement exist between Japan and the United States and that each respects the motives and purposes of the other.

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[1] Source: Department of State, Central Files, 003.9411/8–2955. Secret. Drafted by Finn and McClurkin.

The Secretary said that during the morning he had talked on the telephone with the President, who had asked him to convey his regards to the Foreign Minister and to the people of Japan, had expressed regret that he could not be present and had asked the Secretary to convey his hope that the discussions would help promote even better and closer relations in the future.

The Foreign Minister then read a general statement summarizing points he desired to discuss. A copy of this statement is attached.[2]

The Secretary said he would like to make some general observations in response.

Soviet policies. The Secretary emphasized that the Geneva meeting of the Heads of Government[3] had come about because of the failure of Soviet policies and not because of their success. The Soviets had for ten years tried to overrun Europe and Asia by tough tactics. They had had some initial successes in Europe due to the presence of their occupation troops and had had a considerable success in China. Their policies had recently met reverses and after the death of Stalin they considered a change of policy. For several years there was a division in Soviet thinking as to how to proceed. They had continued their tough policies in an effort to frustrate the entry of the Federal Republic of Germany into NATO and had used every means short of war. With the failure of these efforts they took a series of steps which had clearly been prepared in advance: they signed the Austrian Peace Treaty; they made peace with Tito despite their seven years of threatening and abusing him; they submitted a disarmament proposal on May 10 at variance with their previous position and partly accepting the position of the Western Powers; they invited Adenauer, who they had previously treated as an outcast, to go to Moscow; they proposed the peace negotiations with Japan; and they issued new orders of the day requiring their representatives to be all smiles and cordiality. Their internal situation has also been causing the Soviet leaders concern: they had been placing an almost intolerable burden on their people by devoting such a large proportion of their efforts to military expansion and capital development. Modern armament is very costly, and on the basis of comparative economic strength the USSR would have to spend each year about $150 billion for military activity to equal the United States effort. This burden is very heavy even for a police state, and as Stalin had said the Communist nations occasionally need a respite.

The Secretary said that the free nations are willing to give the Communists a respite but on a very provisional basis. The Soviets have not yet paid the price to end the Cold War, and Geneva was not the end of a period but merely the beginning. The spirit of Geneva must be injected into a number of other situations, such as the unification of Germany, the Soviet treatment of the satellite nations, its efforts to spread international communism, and its attitude toward inspection in the interest of disarmament, before the spirit becomes really genuine. The meetings of the United Nations Disarmament Subcommittee now starting in New York[4] will be one test of the spirit of Geneva, and the Foreign Ministers' meeting in October will provide a fuller test.

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[2] The attachment [*8½ pages of source text*] was not declassified.

[3] For documentation, see vol. V, pp. 119 ff.

Disarmament. The Secretary said he did not propose to go in to a full review of the European situation but believed a discussion of disarmament would be useful. The United States believes today that a system of inspection and control can provide an effective step toward disarmament. The greatest insurance against a major war is the capacity of the free nations for retaliation, since a nation starting a war will itself suffer grievous damage through the other side's power to retaliate. The United States has the capacity for retaliation largely because of its supremacy in the atomic field and because of its agreements with friendly nations for the maintenance of air bases available to strike the Soviet Union. The danger exists that the Soviet Union can develop a powerful atomic capability and through a surprise attack destroy the capacity of the free nations to retaliate. It is unlikely that the Soviet Union can catch up to the United States in the development of atomic weapons, but they may be able to develop a capacity for a surprise attack which could destroy any effort at retaliation. The United States believes that inspection, particularly aerial inspection and some ground inspection, could provide knowledge of the build-up for an attack of this magnitude and thus eliminate the possibility of an attack which could wipe out our retaliatory power. Thus our deterrent to such an attack would remain. This is the approach which the United States is taking at the United Nations Disarmament Subcommittee, and it will be interesting to see whether the Soviet Union will agree.

The Secretary said he realized that the issue of atomic weapons is very important and sensitive in Japan. He commented that atomic weapons are here to stay and that even if it were possible to abolish them, as the Soviet Union would like to do, it is doubtful whether abolition would be desirable from the point of view of the free nations, although we hope their use can be prevented. But if atomic weapons were banned, the chief deterrent against Communist aggression would vanish. The United States itself might not be so easily attacked in such a situation, but countries more readily accessible to vast Soviet land armies would be in great danger.

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[4] For documentation, see vol. xx, pp. 192 ff.

The Secretary added that developments in the field of atomic science now make it impossible to prevent the development of atomic weapons, since fissionable material necessary for weapons is developed even through ordinary peaceful uses of atomic energy. Abolition of atomic weapons is thus not feasible. The key to disarmament is primarily one of preventing a surprise attack. If the danger of a surprise attack can be diminished, reduction of armaments may follow.

Communist China. The United States does not believe that the policies of Communist China are such as to entitle it to a seat in the United Nations or to recognition by the United States. This is not because the mainland government is Communist, since the United States has relations with a number of Communist countries. The Communist regime in China came into being through force and still believes in the use of force in its international relations. Consequently we believe that anything the United States might do to enhance the power or prestige of Communist China would be against our interests. The Communist revolution in China was a more extensive one in time than the Bolshevik revolution in Russia. The Chinese Communists have consistently resorted to force—in Korea, and in Indochina, and they had intended tc seize Formosa by force. To meet the Communist threat to Indochina the United States had proposed a multilateral security treaty to certain of the nations directly concerned in Southeast Asia. The French and the United Kingdom, however, felt that the Geneva Conference on an armistice should take place first and be followed by a Security Treaty. The Manila Pact was concluded just about one year ago and has contributed measurably to peace and order in Asia even though conditions are still far from ideal. The Communists then shifted their interests from Indochina to Taiwan, and the United States took strong measures of its own including a Mutual Security Treaty with the Republic of China covering Taiwan and the Pescadores and a joint resolution by the Congress with only three dissenting votes in each House authorizing the President to use force if he deemed it necessary for the defense of Taiwan, the Pescadores or related areas. The Secretary commented that he had felt at that time that the chances of war were even, but he had believed that the chance had to be taken since failure to stand up to the Communists would have been most unfortunate.

At the Bandung Conference,[5] which Japan had attended, the United States urged friendly governments to press upon the Chinese Communists the danger of their pursuing forceful means. Bandung had had a very wholesome influence on the Communists in persuading them that the nations of Asia would not support their use of force.

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[5] For documentation on the Afro-Asian Conference (the Bandung Conference), see vol. xxi, pp. 1 ff.

Chou had then proposed discussions with the United States, and the Secretary had replied that the United States was prepared to talk on matters of direct concern to the two governments but not on matters involving third countries. For several months various intermediaries stepped in, but the United States was not satisfied as to the motives and reliability of some of these intermediaries. The United States, therefore, started direct talks with the Chinese Communists at Geneva one month ago on the subject of repatriation of civilians, but unfortunately there had not been much progress. The Chinese Communists are not certain whether their interests are served by giving up the American civilians they hold or by keeping them as hostages. In response to the Foreign Minister's question the Secretary said the Chinese are holding 41 or 42, mostly in jail or under ignominious conditions, not counting turncoats whose return the United States does not want.

The Secretary said that he had recently been expounding at his press conferences and elsewhere the doctrine of non-use of force. He said he thinks the Chinese Communists now realize it will be futile to use force to attempt to unify Korea. Although the status of Formosa has not been decided, there are a number of other divided countries such as Korea and Germany, and the important thing is to get acceptance of the doctrine of non-use of force. The only way to get countries like Communist China to adopt a more acceptable way of international life is to use methods which will bring them around to this. There have been two conflicting views on how to treat Communist China—either to bring it into the United Nations in the hope that it will behave better or to keep it out until it does behave better. The United States believes in the latter theory. The United Nations Charter was drafted in 1945 in such a way as to impose certain requirements on nations entering the United Nations, and although some mistakes may have been made in 1945 in allowing certain countries to enter the United Nations, the requirements of the Charter should be maintained.

The Secretary said in summary that the policies of the United States are to give support to non-Communist countries, to be prepared if necessary to fight if these countries are attacked, to give these countries economic aid and assistance as needed, and to seek to bring about changes in the character and attitude of the Communist countries. The Secretary said that he believed some progress was being made but that progress requires the free nations to stand firm and solid and to make it clear to the Communist nations that they must change their policies.

Role of Japan. The Secretary said that the United States, although it has permanent interests in the Western Pacific, is not an Asian power while Japan is an Asian power and a very great one. It would be normal if Japan were exerting a greater influence and the United States were exerting less influence in Asia. The United States does not desire to act as a sort of balance-of-power in Asia. Japan should do this and the United States would be happier in this event. Some nations feel the United States is exerting itself in various parts of the world out of ambition but the idea of aggrandizement does not for a moment enter into the thinking of the United States. The United States does not stand in the way of any nation desiring to exercise a constructive role. The Secretary stressed that he has always sought to accelerate the time when Japan would use its potential influence in Asia in a healthy way.

The Foreign Minister stated that this is the objective of his Government and that this is the duty and responsibility of Japan.

Japan's negotiations with the Soviet Union. In reply to the Secretary's question, the Foreign Minister said that these talks were not making much progress. The Foreign Minister handed the Secretary a prepared paper summarizing the positions of Japan and the Soviet Union (copy attached).[6] The Secretary noted a reference in the Japanese paper to the Kuriles and South Sakhalin[7] and commented that he had inserted a provision into the Japanese Peace Treaty (Article 25) stating that no right, title, or interest of Japan shall be deemed to diminished or prejudiced by any provision of the Treaty in favor of a state which did not sign it. This provision had been inserted to insure that nonsignatories did not get any advantage from the Treaty. The Secretary noted that all of Japan's detainees in the Soviet Union were also alleged to be in prison and commented that this was a favorite Communist device. The Secretary observed that it looked as if Japan's negotiations with the Soviet Union had a long way to go and said he thought Japan is handling the talks very well. He observed that on the basis of his experience very little is achieved by making concessions to the Soviets on small points. Soviet leaders decide on the basis of fundamental considerations whether they want an agreement or not, and their attitude is not influenced by minor concessions. The negotiations of the Western Powers with Austria was a clear illustration of the Soviet method. The Foreign Minister asked the Secretary whether he thought the Soviets wanted a treaty with Japan. The Secretary replied yes and said he thought the Soviets would make some concessions to get it, adding that they would probably attempt to tire the Japanese out.

Domestic Political Situation in Japan. The Foreign Minister stressed the determination of his Government to construct a new Japan and to build up his country in a proper way. Mr. Kono and Mr. Kishi are working hard for the unification of the constructive forces in Japan, realizing that internal and external politics have a close connection. The Government has also developed a six-year economic plan and a six-year defense plan, but to realize these plans the Government will need unified forces within Japan and a thorough understanding with us. The Secretary commented that it seems to us, looking at it from the outside and not wanting at all to interfere in a Japanese domestic problem, that it is necessary to draw together the Conservative forces within Japan and to develop unity of action. He hoped that steps in this direction could be taken and would soon succeed. At the Foreign Minister's request Kishi stated that the general policies Mr. Shigemitsu had been describing were not only the viewpoints of the Hatoyama Government but of all the conservative groups in Japan. Therefore a consolidation of these forces was desirable in order to make it possible to bring about the desired goals. Mr. Hatoyama agrees. He and Mr. Kono were working with the Liberals to try to accomplish this unification. The Secretary said that if there were a solidly unified Government within Japan it might be easier for us to act when we are asked to do something to help. Now it seems we are often asked to do things which will help one Government or one individual stay in power and we find difficulty in meeting such requests. If the Japanese could unify their Government it would undoubtedly be found much easier to get along with us. Mr. Shigemitsu responded that that was exactly the job that they are trying to do.

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[6] "Japanese-Soviet Negotiations", dated August 29, not printed.

[7] In the paper, Japan contended that there were no international instruments that provided for the transfer of Japan's title to the Kuriles and/or South Sakhalin to the Soviet Union.

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45. Memorandum of a Conversation, Department of State, Washington, August 30, 1955[1]

SUBJECT

Second Meeting with Shigemitsu: Defense Matters

PARTICIPANTS

Japan

Foreign Minister Shigemitsu
Minister of Agriculture and Forestry Kono
Secretary General of Japan Democratic Party Kishi
Ambassador Iguchi, Japanese Embassy
Ambassador Kase, Japanese Observer UN Delegation
Deputy Chief Cabinet Secretary Matsumoto

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[1] Source: Department of State, Central Files, 033.9411/8–3055. Secret. Drafted by Finn.

Mr. Yoshimitsu Ando, Foreign Office Counsellor
Mr. Koh Chiba, Foreign Office
Mr. Takeshi Yasukawa, Foreign Office

United States

The Secretary
Deputy Secretary of Defense Robertson
Admiral Radford, Chairman, Joint Chiefs of Staff
Assistant Secretary of Defense Gray
G—Mr. Murphy
Ambassador Allison
FE—Mr. Sebald
Mr. C. Sullivan, Department of Defense
NA—Mr. McClurkin
NA—Mr. Finn

The Foreign Minister opened by referring to paragraph 3 of his general statement given August 29 regarding defense matters[2] and then read a prepared statement on this subject (copy attached).[3] The Foreign Minister requested the Secretary's views.

The Secretary said that he wished to make several general observations and that Admiral Radford would make some detailed comments. It is the present policy of the United States to withdraw its armed forces gradually from Japan as Japan's forces increase. The United States has no desire to keep its forces, particularly ground forces, in Japan if they are not needed and if Japan can replace them. As United States forces are reduced, the United States will consider the feasibility of a comparable reduction of Japan's contribution for their maintenance.

Regarding replacement of the present Security Treaty by another treaty, the Secretary thought it was premature to consider this at the moment, since it is not yet clear to the United States that a new treaty would be accepted and carried out by Japan with the solid backing and support which would be required. The Secretary said that he had been both impressed and depressed by the Foreign Minister's presentation on August 29, which pointed up the difficulties faced by the Japanese Government in meeting the Communist threat. As the Foreign Minister had said, the Japanese Government was finding it extremely difficult to deal with the Communists under the Constitution and laws passed during the Occupation. The Secretary referred to the Foreign Minister's statement that socialists and other leftists had been able to defeat certain bills desired by the Government and to attack the Government's policy at every turn. The Secretary said that this made him wonder whether a new treaty arrangement would have the effective support it would require. The important thing for a mutual security treaty is a solid basis for cooperation. The Secretary was not confident that the Japanese Government had the unity, cohesion and capacity to operate under a new treaty arrangement. The United States would not like to move from something that now exists to something speculative. The Japanese Diet had ratified the peace and security treaties by large margins and these treaties therefore had a solid juridical and constitutional basis. A new treaty might possibly be ratified, but support for it might not be sufficiently wholehearted to be helpful to Japan-United States relations.

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[2] Reference is to the statement attached to the memorandum of conversation, *supra*. It was not declassified.

[3] The attachment [*2½ pages of source text*] was not declassified.

The Secretary said that the question is not one of fundamental policy so much as of timing. The United States wants a Japan which is able and willing to do what is stated in the preamble of the Security Treaty, namely, to assume increasing responsibility for its defense. As the Foreign Minister said, Japan has not yet reached this position. The Secretary said that Japan had already made great progress in this direction and he did not want to minimize Japan's efforts to overcome various political and economic difficulties. The United States has always hoped that the Security Treaty can be translated into a different form of treaty when Japan has developed the capacity to defend itself. The time for this has not yet come. Japan's political situation is very confused, and unfriendly elements in the Diet can block the Government's efforts to build up its defense system.

The Secretary observed that the Foreign Minister might argue that a change in the treaty could alter Japan's attitude. The Secretary said he doubted this. Opposition in Japan is not to the form of the treaty but to the fact of partnership with the United States. Pro-Communists and neutralist elements would attack a revised treaty. At the moment, therefore, the Secretary questioned whether the time is ripe for negotiations to substitute a new treaty.

The Foreign Minister said that the main danger to Japan is indirect aggression. Japan must cope with Communist propaganda and with Communist influences, which will increase under the present treaty system. Japan wants weapons to combat the Communists and this is what the Foreign Minister wants to get by revising the Security Treaty. Japan must have a new treaty system to replace the old one, which is inadequate to cope with internal difficulties posed by the leftists. The Foreign Minister said that he realized a change could not be made overnight and proposed that the fundamental problems be studied and a constructive solution devised.

The Secretary emphasized his view that a new type of treaty should develop from the conditions contemplated by the present treaty, namely when Japan makes an adequate contribution to its own defense, when a healthy spirit of partnership with the United States has been created, and when anti-Communist elements are strong enough to ensure passage of their programs and an attitude of cooperation with the United States. The Secretary reiterated that Communists everywhere attack security treaties entered into by free nations with the United States, charging vassalage and subordination. A change of treaties in Japan will not eliminate such Communist attacks.

The Foreign Minister agreed but said that the attitude of the Japanese people as a whole must be considered. To educate the people of Japan may seem easy but is in fact very difficult. The danger exists that Communist influence in Japan will increase gradually and may become so great that the Government will not be able to cope with it. The situation in Japan differs from that in Formosa and the Philippines, since the Japanese people do not believe that they are being treated as equals under the present arrangements. The Secretary replied that Communists everywhere were trying to force the United States and its partners in the free world to break up and become isolated. The Secretary noted that the United States has a base agreement with the Philippines. The Foreign Minister replied that Japan would like to be in the same position, adding that Japan had to rely on the United States when the Security Treaty was concluded because it had no defense force but that now it does have a defense force. The Secretary commented that Japan's present force is inadequate. The Foreign Minister replied that Japan will build up its force. The Secretary said that it would be a different matter to talk about changing the treaty at such time as Japan's defense force is adequate.

The Secretary commented that it is premature to talk of changing the present treaty at this time but that it is not premature to consider what conditions would be necessary for concluding a new treaty. He agreed that both governments should cooperate so that Japan could build up its forces and that United States forces should be reduced as Japan was able to assume increased defense responsibilities. The Foreign Minister said that he thought it would take at least three years for Japan to complete its defense program but that the time had now come to study improvements in the present treaty system.

The Secretary said that the drafting of a new treaty would be a relatively simple matter. The real problem, however, is to assist Japan in its development of defense capacity and for this much preparatory work is needed. The Secretary suggested that Admiral Radford comment on the Japanese defense plan.

Adequacy of Japan's Forces. Admiral Radford said that the Joint Chiefs of Staff believe that the Japanese defense plan is not adequate for the defense of Japan and that the military threat to Japan cannot be countered by the forces planned. Japan would need assistance to counter this threat and presumably United States assistance would be expected. Admiral Radford said that he assumed the Japanese referred to combat forces when they talked about withdrawal of United States ground forces. He pointed out that almost one-half of the United States ground forces in Japan of about 70,000 are support forces with logistic functions. He said that the Japanese plan did not appear adequately to take into account these logistic functions and that Japanese military planners were evidently being restricted in their efforts to plan for the manning of logistic functions even though they appreciated the problems. Admiral Radford also commented that the air and naval forces planned by Japan were not rounded out. He said that Japan should enlarge its force plan in order to count on withdrawal of United States forces. He agreed that Japan is developing forces larger than some countries in NATO and the Manila Pact but said that Japan's economic and industrial capability is greater than those countries. The United States is planning to reduce the number of its combat ground forces in Japan as Japan develops its forces; because of our own necessities, this reduction may even be faster than Japan's build-up of ground forces.

The Foreign Minister asked about the manner in which Japan should develop support forces. Admiral Radford replied that consultation in Tokyo would be the best way to work this out and that military men in Tokyo were already consulting on a partial basis. The Foreign Minister asked whether the United States was satisfied with this, and Admiral Radford said he thought the consultation could be improved. The Foreign Minister said Japan would make it better and the two countries in close collaboration could move ahead on defense problems in the future. He added that treaty questions should of course be kept under consideration.

Joint Consultation. The Secretary said that it might be helpful if Mr. Robertson, the Deputy Secretary of Defense, could talk about consultation between the two governments. Mr. Robertson said that the suggestion had been made that a United States–Japan Joint Committee on Defense might be set up. The United States would be agreeable to this. Mr. Robertson said that the United States might be represented by the Ambassador and CINCFE who would be assisted by experts as necessary. He commented that such a committee should not, of course, conflict with existing arrangements under the Administrative Agreement but that this committee could have fruitful discussions on joint defense problems of a military nature.

The Foreign Minister said that he thought such a committee should not be at a government level but should merely make recommendations to the two governments. In response to Mr. Robertson's question the Foreign Minister said that Japan would probably be represented by experts from the Defense Agency. Mr. Robertson agreed that this should be an advisory committee. The Foreign Minister suggested that the committee might also consider a future treaty organization. Mr. Robertson replied that the committee's primary work should be devoted to defense problems but that the committee could have the effect of expediting Japan's development of defense strength so that time for consideration of a new treaty would be accelerated. The Foreign Minister commented that perhaps the American Ambassador in Tokyo and the Foreign Office could consider various treaty problems.

Runway Extensions. The Secretary suggested that Mr. Gordon Gray, the Assistant Secretary of Defense for International Security Affairs, might discuss certain special problems. Mr. Gray said that the Defense Department is concerned about runway extensions in Japan. Agreements on this have been made with the Japanese Government and the Defense Department is encouraged to hear that the Japanese Government is now planning special measures to carry out this program. On the other hand the scope and organization of demonstrations in opposition to this program have been discouraging. It is important that the Japanese people understand that this program is in their own interest, particularly since Japanese aircraft will eventually need the extended space for their operations. Countermeasures against the current demonstrations are desirable and the United States is willing to assist.

The Foreign Minister agreed that we should take measures to keep the Communists down but said that use of force in this situation could be dangerous. He emphasized that the Occupation had abolished all laws for effectively dealing with Communists and that it is now almost impossible to handle them. The only power available to the Japanese Government at present is that of persuasion, and the Government must develop solid anti-Communist strength in order to muster its power of persuasion. The Foreign Minister stated that he is ready to accept a Joint Defense Committee but emphasized that Japan and the United States must go farther and talk about their fundamental treaty position in order to make clear that Japan is not on an unequal basis. Mr. Robertson commented that such a committee would be further evidence of cooperation between the two governments.

Mr. Robertson observed that Mr. Gray's point on the runway extension was that the people of Japan should be convinced of the need for this program in the interest of their own defense. The Foreign Minister responded that the Japanese people do not listen to the Government, which has promised to extend the runways and may even be forced to confiscate the necessary land. This, however, might play into the hands of the leftists. The Foreign Minister added that the opposition to runway extensions is not genuine and is Communist-inspired.

Constitutional Interpretation. The Secretary then inquired whether Japan could send forces outside of Japan to help the United States if it were attacked, adding that this appeared doubtful and that the Japanese Government would have to be stronger before a basis of mutuality existed. The Secretary commented that the situation would be different when Japan had adequate forces, a sufficient legal framework and an amended constitution. He asked specifically whether Japan could go to the defense of the United States if Guam were attacked. The Foreign Minister replied that Japan could do so and that under its present system Japan can organize forces for self-defense. The Secretary said that this would not be a case of the self-defense of Japan but rather of defense of the United States. The Foreign Minister replied that in such a situation Japan would first consult with the United States and would then decide whether or not to use its forces. The Secretary said that he was not clear as to the Foreign Minister's interpretation of the Japanese Constitution and added that he had thought the broadest commitment Japan could make would be to use its forces for the defense of Japan. The Foreign Minister replied that Japan's forces must be used for self-defense and that Japan could consult, in the case of an attack in connection with a treaty, regarding the use of its forces.

The Secretary commented that consultation would not mean very much if the constitution prevented the sending of forces abroad. The Foreign Minister answered that Japan's interpretation included the use of forces for self-defense and consultation as to whether or not forces should be sent abroad. He commented that Japan would like to have a treaty like the United States-Phillippine treaty and that this is possible even under the present constitution. The Secretary said that he had not previously realized that Japan thought it could do this.

The Foreign Minister emphasized that Japan wanted to be an equal partner like other countries having mutual security treaties with the United States and said that Japan is determined to move ahead with its defense. The Secretary said that he thought appropriate language could be worked out in the joint communiqué to cover the ideas of both sides.

The Foreign Minister said that he wanted to be sure that the United States did not intend to keep Japan in a semi-independent position. The Secretary said that this was not the case, that Japan had made a treaty which had been overwhelmingly approved by the Diet and that this did not mean a semi-independent position. He emphasized that every treaty involves a partial surrender of sovereignty and that interdependence and cooperation rather than independence are the requirements. For Japan to consider itself as unequal is wrong; this is not the way the United States treats Japan.

The Foreign Minister said that every year Japan must negotiate with the United States regarding its budget. The Secretary replied that we should get away from the unnecessary difficulties of these negotiations. He then pointed out that every year the United States and the

NATO countries have a budget review in December and that this process is part and parcel of the collective security system. Of course we should arrive at a system by which the yearly budget debates with Japan might be less acriminous and we should try to reach some automatic formula. Changing the treaty, however, would not accomplish this. Wherever there is a joint or composite effort, there must be joint discussion of the respective contributions. Admiral Radford commented that this problem appeared to have been covered earlier when the Secretary suggested that as Japan's forces went up, its contributions would go down. The Foreign Minister said that Japan desired to know the size of the American forces in Japan and plans for their reduction, adding that there had been conflicting reports on this. Mr. Robertson and Admiral Radford commented that a joint committee in Tokyo could go into this.

Mr. Kishi said that he was elated to know that the United States would discuss the question of treaty revision when the time is ripe. Mr. Kishi stressed that it is essential to improve the economic livelihood of the people of Japan and to eliminate unsettled conditions which produce communism. It is essential to consolidate the conservative forces in Japan and to devise economic plans to combat communism and to strengthen Japan's defense program. This will facilitate withdrawal of the United States forces and revision of Japan's constitution. The joint committee should discuss measures for the defense of Japan at minimum cost. Mr. Kishi said that as a member of the Democratic Party he wished to make these observations.

Mr. Shigemitsu then said that he would like to recapitulate the discussion in order to make sure that his understanding was correct. Although the Secretary had said that the time was not ripe for the immediate conclusion of a new defense treaty, the Foreign Minister understood that the Secretary was in agreement so far as its principle was concerned. On the other hand the internal situation in Japan makes it imperative to establish a system of defense based on a new defense treaty with the United States on the basis of mutuality. The Foreign Minister, therefore, proposed to begin forthwith work to prepare for a new mutual defense treaty to replace the existing security treaty as soon as Japan's defense forces have reached the size deemed adequate for national defense. Such work might be continued through normal diplomatic channels. The Secretary said that he would like to study this recapitulation of the discussion further.

The Secretary emphasized that no nation is as eager to see Japan resume its rightful place as is the United States. A weak Japan is the contrary of everything the United States wants and has been working for. The United States would not have taken so many measures to assist the recovery of Japan if it had not wanted to see a strong vigorous Japan resume its rightful place in Asia. The Secretary said that he was concerned to hear that the only way Japan could assert itself is by turning against the United States, which is trying in every way to help Japan. The Secretary said he did not think this was a wise course. He expressed the hope that the situation in Japan would change and that conditions necessary for mutuality would develop. He added that the United States should not be required to provide security for the Philippines and for Formosa. Japan should be doing this, and the United States could withdraw its forces.

The Foreign Minister said that he had no illusions regarding these matters and that he was grateful to have the Secretary's views. The Secretary commented that we would both be better off with a strong, vigorous Japan. The Foreign Minister reiterated that Japan wants to fight Communist influence and that that is the reason Japan is making its proposal regarding the treaty.

The Secretary and the Foreign Minister briefly discussed and agreed on the text of a press statement regarding the meeting.

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46. Memorandum of a Conversation, Department of State, Washington, August 31, 1955, 10 a.m.[1]

SUBJECT

Purpose of Mission to Washington; official discussions with Secretary; US–Japan relations

PARTICIPANTS

Ichiro Kono, Ministry of Agriculture and Forestry
Nobusuke Kishi, Secretary General of the Democratic Party
Takizo Matsumoto, Deputy Cabinet Secretary
Mr. W. J. Sebald, Acting Assistant Secretary, FE
Ambassador John M. Allison
Mr. R. J. G. McClurkin, Director, NA
Mr. Richard Lamb, American Embassy, Tokyo

Mr. Kono, Mr. Kishi and Mr. Matsumoto called on Mr. Sebald at their request at 10 a.m. on August 31. The meeting lasted just over one hour; Mr. Kishi, who had another appointment and had to leave early, did most of the talking for the first part of the meeting. Mr. Kono entered into the discussion only after Mr. Kishi's departure.

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[1] Source: Department of State, Central Files, 033.9411/8–3155. Secret. Drafted by Lamb.

Mr. Kishi opened the discussion by outlining the purpose of the visit: to discuss fully and frankly the future of US–Japan relations. The official meetings with the Secretary on August 29 and 30 had been extremely useful. However, he and Mr. Kono hoped that they could now take off their coats and speak with Mr. Sebald somewhat more frankly on an unofficial basis. They wished to know US views regarding Japan, our opinions and hopes for Japan's future. But at the same time they wished to make clear to us Japan's own views and hopes.

Mr. Sebald said that he was delighted at the opportunity to speak with Japanese leaders on an unofficial basis. It was of course necessary for us to confer with the official representative of Japan, but he was sure such unofficial meetings as the present one could be most valuable in improving our mutual understanding. Mr. Sebald said that, while he had nothing particular to say at the moment regarding US "requests" of Japan, he did wish to ask some questions regarding Japan's internal political situation. Actually Japan's complicated internal political situation created a serious problem for the US in connection with the present Washington meetings. For instance, even if it were possible to reach a complete meeting of minds on various issues in US–Japan relations, we frankly did not know how long the present government would last, or whether it represented the Japanese people. We simply could not foresee the Japanese political future. However, he did have the impression that the Japanese conservatives, instead of closing their ranks and forming a strong government, were divided into factions and were fighting among themselves. Unless the conservatives could get together he feared that the Socialists would come to power. If this happened Japan would rapidly go down hill. Moreover, as the Secretary had said in an earlier meeting, it would be impossible to carry out essential projects, e.g., establishment of a strong military force and enactment of adequate security measures, unless there is strong leadership in Japan, with power in the hands of a strong government supported by a working Diet majority.

With regard to Japan's internal situation, Mr. Kishi said that he personally disagreed with the Foreign Minister as to the extent of the Communist threat. He felt that in discussions with the Secretary yesterday the Foreign Minister had greatly exaggerated the danger. The threat could certainly not be ignored, but it was not as serious as the Foreign Mininster had depicted it. The basic problem in combatting communism in Japan was to create a strong union of the conservative forces. Mr. Kono, Bukichi Miki[2] and Kishi himself, were working hard to achieve a conservative union. He could make no definite promise as to when the goal might be achieved; however, Japanese public opinion was strongly in favor of a union of the conservative forces, and with public support he was confident that they would be successful. In this connection Mr. Kishi took pains to point out that he had accompanied the Foreign Minister to Washington at Prime Minister Hatoyama's specific request. Mr. Hatoyama had wished him to make clear that the viewpoints being expressed were those of all conservatives, not merely the Foreign Minister alone, and that they would be essentially the same no matter who was Prime Minister of Japan. In an earlier meeting the Secretary had mentioned that many missions appeared to have been sent to Washington to strengthen the hand of one political leader or group against rival forces at home. This certainly was not true of the present mission. Mr. Sebald said that Mr. Kishi's comments were most reassuring.

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[2] An adviser to Prime Minister Hatoyama.

Mr. Kishi said that he would like to express his own views as to Japan's basic problems which were perhaps somewhat different from those of the Foreign Minister. He believed that Japan's number one problem was the stabilization of her economy; without economic stability as a basis there was little point in talking of fighting communism, conservative unification or a possible new alliance with the US. Mr. Kishi felt that the purpose of the present meeting should not be to ask for a new treaty or to discuss other abstract matters, but to exchange views frankly and concretely as to what the US and Japan could do to their mutual advantage, principally in the economic sphere, concerning which Mr. Kishi as former Minister of Commerce and Industry felt he could speak with some authority. In the official meeting today the Japanese delegation intended to take up the matter of economic planning for Japan, specifically the six-year economic plan which the Government had prepared. Mr. Kishi emphasized that he was thinking not in terms of a controlled economy on the socialist pattern, but rather a planned economy, and he hoped the blueprint to be presented would help clarify Japan's economic situation and prospects. Though there had been a marked improvement in the Japanese economy in the 10 years since the war, basic problems remain to be solved—for example, the tremendous population pressure, the possibility of expanding Japan's markets in Southeast Asia, possible increase of trade with Communist China. It would not be possible for Japan to achieve the goals of the six-year economic plan without the understanding and active cooperation of the United States, and without United States investments and technical assistance. As an example, Mr. Kishi cited the problem created by the expansion of Japan's productive facilities to meet United States requirements in the Korean war. These industries now lacked orders and were facing serious financial difficulties. However, Japan wished to retain these industrial facilities for her own use, possibly under government ownership and management. The United States could assist Japan in maintaining these facilities through OSP orders to provide military equipment for countries of Southeast Asia.

Mr. Sebald observed that Mr. Kishi's proposal regarding OSP orders was well worth exploring, though there were many technical problems involved. He went on to say that one of the cardinal points of United States policy toward Japan was to assist Japan in every possible way to achieve a viable economy. The United States had made great efforts to bring about Japan's accession to GATT and had assisted in a great many other ways. One of the difficulties, of course, was that these problems were not solely economic but had political implications as well.

Mr. Kishi said that before leaving he wished to summarize his views as to the three major sources of friction between Japan and the United States and the means of eliminating them. The first of these was that arising from the existence of numerous United States bases and the presence of large numbers of American troops in Japan. The way to solve this problem, Mr. Kishi believed, was for Japan to increase her own military strength as rapidly as possible in order to bring about the withdrawal of United States ground forces in Japan. The second problem centered around the annual haggling over Japan's defense budget and Japan's contribution to the support of United States forces in Japan. These negotiations created the unfortunate impression that Japan could not form her own budget without United States consent. Mr. Kishi believed that the general principles outlined by the Secretary in yesterday's session offered an excellent means of overcoming this problem. The third major irritant was the fact that numbers of Japanese war criminals were still held in detention ten years after the end of the war. Mr. Kishi hoped that the United States would take a "bold stand" and settle this problem once and for all. Mr. Kishi remarked that he and the Foreign Minister had spent some time in Sugamo Prison and could not but be emotionally concerned in obtaining the release of those still in prison as soon as possible.

Following Mr. Kishi's departure Mr. Matsumoto said that Mr. Kono, Mr. Kishi and himself did not wish to create the impression that they were putting their nose into other people's affairs. Actually they were cooperating fully and wholeheartedly with the Foreign Minister in his mission. It was true they had not received full cooperation from Ambassador Kase and some other members of the Foreign Minister's party. For example, papers prepared for the discussions had not been made available to them until some time after the discussions had been completed. However, he could assure us that Mr. Kono, Mr. Kishi and himself had every intention of cooperating fully with the Foreign Minister.

Mr. Kono, who had occasionally nodded in agreement but otherwise had not participated in the discussions while Mr. Kishi was present, now began to express his own views. He said first of all that he intended to be even more frank than Mr. Kishi had been. He had long been handicapped in seeking to understand the United States and United States views because of his inability to speak English and until coming to Washington had not had any clear ideas as to United States thinking. This ignorance regarding United States policies and intentions was a great handicap to a Japanese political leader. If he really knew what the United States' precise ideas and objectives really were, his task as a Japanese political leader was much easier. Mr. Kono said that as a result of his visit to the United States he had learned a great deal about United States objectives and views regarding Japan and would be in a position to work for our mutual goals more effectively than in the past. In this connection he remarked that if Mr. Hatoyama and Mr. Ogata (who were actually on much closer terms than we might imagine) were well informed regarding United States thinking, they would no longer be groping in the dark and their task would be much easier.

Mr. Kono said that he believed the Foreign Minister in his talk with the Secretary had overdone the danger of the Communist threat in Japan. The Foreign Minister had perhaps done so because he misunderstood the United States views on the Communist threat and how to combat it. If Japanese leaders knew precisely what United States views were regarding the internal and external Communist threat to Japan, their task would be much easier. The same was true of Japan's defense program: if Japanese leaders had United States views thoroughly in mind they would not have to operate by trial and error. Mr. Kono thought much of the difficulty arose from the fact that diplomats and petty officials were in the habit of bargaining over minor issues and missed the significant points which in any event were not accurately conveyed to Japan's real leaders. Once clear and mutual understanding had been reached on objectives, Mr. Kono and his colleagues would know what tactical course to follow in order to achieve them in Japan—e.g., shaping public opinion, etc.

Turning to the domestic political situation in Japan, Mr. Kono said that in last February's elections the conservatives had been working under severe handicaps: the Liberals had been badly hurt by the scandals, and the newly formed Democratic Party had not had sufficient time to prepare for the campaign. If there was time to prepare, Mr. Kono was confident that when elections are held again the conservatives could easily win a two-thirds Diet majority, then amend the constitution and carry out other essential neasures. Here again, though, a great source of difficulty was the fact that Japan's political leaders did not clearly understand the United States views regarding Japan's political situation (Mr. Kono said that Bukichi Miki shared his concern in this regard). Mr. Kono remarked that yesterday's "argument" between the Secretary and the Foreign Minister was the result of such misunderstanding. Mr. Kono himself actually had found that the Secretary's presentation was much more logical and reasonable than that of the Foreign Minister. In this connection he was confident that the formula proposed by the Secretary would be agreeable to Prime Minister Hatoyama.

Mr. Sebald at this point referred briefly to the joint consultative committee which had been proposed at yesterday's meeting and said that the United States thought of the committee as a high level group which would thrash out various problems arising between our two countries. Mr. Kono said there had been at first some misunderstanding on his part as to the nature of the joint committee. He had originally understood that the committee, which he himself had first proposed, was to be at the technical level. Then he had heard that it was to be at the highest level, which would create the impression in Japan that the United States was interfering in Japan's internal affairs. Now it appeared that the committee was to be at a somewhat lower level.

Mr. Sebald pointed out that many problems which arose were not wholly military or political in character. For this reason it had been proposed that both the Ambassador and CINCFE be on the committee. Ambassador Allison said that of course it was not our intention that the committee would make policy decisions; rather the United States representatives would discuss problems with such representatives from Defense, Finance, and the Foreign Ministry as the Japanese Government might designate. The committee would make recommendations, but final decisions would of course be left to the two governments.

Mr. Kono said that he did not believe the committee should be at too high a level or that it should include cabinet ministers. Perhaps representation at the vice-minister level would be satisfactory. If really important problems arose, Ambassador Allison could talk to him directly, and he could see that satisfactory cabinet action was taken. Ambassador Allison agreed that representation at the cabinet level perhaps was not necessary; he did believe however that Japanese representatives should be at a sufficiently high level to reflect accurately the Japanese Government's views.

Mr. Kono said that he had been at a loss to understand why the Foreign Minister had been so interested in establishing the consultative committee, and at first had thought that the Foreign Minister was using the proposal as a bargaining weapon to bring about the revison of the Security Treaty. Mr. Kono said he agreed that the time was not yet ripe for the revision of the Treaty.

In conclusion Mr. Kono emphasized that when problems of major importance arose it would be well to take them up directly with Mr. Kishi, Bukichi Miki, or himself. They were the three men who presently control the Japanese Government and they all had Prime Minister Hatoyama's full confidence. If necessary one of the three could be sent back to Washington or Ambassador Allison could approach them in Tokyo. Ambassador Allison suggested that after Mr. Kono and his colleagues had returned to Tokyo and after they had reviewed the situation it might be well to get together with him for further discussions. Mr. Kono appeared to agree. As a final example of the importance of frank, direct discussion at the highest level, Mr. Kono said the difficulties arising over Japan's purchase of surplus agricultural products could have been easily avoided if the matter had been taken up with him directly rather than with lesser officials. Mr. Sebald agreed that the important thing was to understand each other fully and to recognize each other's problems.

Mr. Kono indicated he would like to have further talks with Mr. Sebald. However, Mr. Matsumoto would probably be leaving and there was no other interpreter whom he could fully trust.

In a brief conversation with Mr. Lamb immediately following the meeting with Mr. Sebald, Mr. Matsumoto said that Mr. Kono, Mr. Kishi, and himself had been greatly disturbed at the Foreign Minister's presentation in his discussion with the Secretary on August 30. The Foreign Minister's approach, his exaggeration of the Communist threat, had been all wrong; it had certainly not been worthy of a professional diplomat. Mr. Matsumoto and his colleagues were at a loss to know why the Foreign Minister had taken this approach, concerning which they had no knowledge. At first Mr. Matsumoto had suspected that the Foreign Minister had some special motive. He was now inclined to believe however that the Foreign Minister had simply been "boxed in" and said things he had not intended to.

Mr. Matsumoto also said that Prime Minister Hatoyama had instructed him to see that Mr. Kono and Mr. Kishi were brought fully into discussions with United States leaders, and that they were given an opportunity to gain a thorough understanding of United States views and overall thinking regarding Japan.[3]

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[3] In telegram 467 to Tokyo, August 31, the Department summarized this conversation. In the telegram Kono was described as being "especially buoyant during meeting." (Department of State, Central Files, 411.9441/8–3155)

47. Memorandum of a Conversation, Department of State, Washington, August 31, 1955[1]

SUBJECT

Third Meeting with Shigemitsu

PARTICIPANTS

Japan:

Foreign Minister Shigemitsu
Minister of Agriculture and Forestry Kono
Secretary General of Japan Democratic Party Kishi
Ambassador Iguchi, Embassy of Japan
Ambassador Kase, Japanese Observer UN Delegation
Deputy Chief Cabinet Secretary Matsumoto
Minister Shima, Embassy of Japan
Mr. Yukawa, Director, Economic Affairs Bureau, Foreign Office
Mr. Chiba, Director, European and American Affairs Bureau, Foreign Office
Mr. Yasukawa, European and American Affairs Bureau, Foreign Office
Mr. Ando, Counselor, Foreign Office
Mr. Shimanouchi, Press Officer, Embassy of Japan

United States:

The Secretary
U—Mr. Hoover
ICA—Mr. Hollister
G—Mr. Murphy
P—Mr. McCardle
Ambassador Allison
FE—Mr. Sebald
NA—Mr. McClurkin
NA—Mr. Hemmendinger
NA—Mr. Finn
S/S-RO—Mr. Selby

The Secretary invited the Foreign Minister to continue his presentation.

Mr. Shigemitsu said he had a number of observations on economic subjects. He presented and read a paper (attached)[2] entitled "Self-Sustaining Economy—Some Factors Relating to its Establishment", broken down into Trade Promotion to the United States Market, Economic Cooperation with Southeast Asia, and China Trade. He then presented and read a paper (attached)[3] entitled "Resumption of Japanese Enterprises in the South Sea Islands Formerly Under Japanese Mandate".

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[1] Source: Department of State, Central Files, 003.9411/8–3155. Secret. Drafted by Hemmendinger on September 2.

[2] Not printed. It asked that the United States not impose any new tariff or quantitative restrictions on Japanese goods, that Japanese capital goods be purchased in the course of utilizing the $100 million Presidential fund for Asian development, that U.S. assistance funds in Southeast Asia be used to stimulate "inter-[*intra?*] regional" trade in the area, and that trade controls on the People's Republic of China be equalized with those applying to the "European Soviet bloc".

Mr. Dulles said that he would comment briefly on these two papers and Mr. Hollister would comment at length if he desired. He appreciated the difficult economic position of Japan with its growing population and its small natural resources. As he had said at dinner with the Foreign Minister, Japan had to make its living from its human resources rather than its natural resources. The United States has not only recognized this problem but has tried to do something about it, which is more than some can say. The United States has tried to avoid the imposition of restrictions upon Japan's exports to the United States and is glad to recognize that the Japanese Government has exerted its influence on Japanese industrialists and exporters to avoid flooding the American market. Speaking to representatives of another country, the Secretary had recently had occasion to point out that if they had been content with a reasonable share of the American market the restrictive measures on the United States side would not have happened. No country can be expected to allow a complete monopoly of the market by a foreign country in a given line. The foreign country must be content with a reasonable access to the American market, and he was glad to note that Japan appeared to recognize this fact. The anti-trust laws had also to be considered but voluntary self-restraint is not illegal and can be very helpful.

The Secretary welcomed Japan's admission as a full member of the General Agreement on Tariffs and Trade. The United States had taken the lead in the recent tariff negotiations leading to Japan's full accession,[4] he said, and hoped that the efforts which this country is prepared to make to develop capital improvements in Asia can be conducted in a way which will afford opportunity for Japan, as the only industrialized country in the area. United States expenditures for economic development in Asia can thus accomplish several purposes if they are handled in the right way. The arrangements with respect to sale of agricultural commodities have to some extent been handled in this way. The United States has Japan's economic position very much in mind in examining the problems of economic development in Asia. The gap in Japan's direct trade with the U.S. is considerable and has been met by U.S. military expenditures in Japan. Offshore procurement connected with the hostilities in Korea has naturally declined with the termination of hostilities. The U.S. of course does not want to see resumption of the war, and that particular kind of expenditure therefore cannot be expected to recur. The Secretary recognized that

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[3] Not printed.

[4] For documentation, see *Foreign Relations*, 1952–1954, vol. I, Part 1, pp. 114 ff.

Japan has taken austerity measures to limit its consumption and improve its foreign trade—belatedly, to be sure, but the measures have been taken. He recalled that when he was in Tokyo some years ago Japan was a luxury market in which almost anything could be bought. Now Japan has taken certain austerity measures to control luxury imports and this has helped to balance its foreign trade position. The Secretary suggested that there will always be an imbalance in Japan's direct trade with the U.S. which would be made up by invisible earnings and earnings from three-cornered transactions. This is also the case with the U.K. and is not abnormal.

With respect to trade with Communist China the Secretary said he had the feeling that this was more of a psychological than an economic factor. Japan never had a big trade with China proper, independent of its domination there. Korea and Manchuria were big markets after Japan's political influence was established there, but in the main China is a poor area and does not have much to export. The general experience of countries that have tried to trade with China is that they get nothing worthwhile except in return for highly strategic goods for which the Communists are willing to make a sacrifice in exchange. The Secretary doubted that a change in the control list would have great economic results. You may say, he added, that if that is so, shouldn't we modify the list to conform to the European list. The other side of the picture is that it is not easy to make a change unless it is occasioned by some act on the part of the Chinese which seems to call for some recognition on the part of the free nations. The Ambassadorial talks going on in Geneva have so far been unproductive. And at present the United States considers that there should be no relaxation of trade controls. He appreciated that the problem in Japan is partly political rather than economic but believed that Japan should cooperate with the United States because Japan also has a stake. Sooner or later some revision of the export list is inevitable but the time has not yet come.

Mr. Hollister said that there was little that he could add to the Secretary's remarks. It was only a few weeks since the Congress had approved the legislation establishing the Presidential fund for regional economic development. The Congress had reduced the amount of the fund by one-half and had approved it as a three-year program. The authorities concerned will have to study carefully the proposals for use of the fund. Such studies are now going forward with particular reference to the regional aspect. He would be interested to have any Japanese suggestions with respect to the utilization of the fund.

The Secretary said that the resumption of Japanese enterprises in the South Sea Islands posed problems relating primarily to security. The Department of Defense has strong views on this subject. The Department of State would take it up again with the Department of Defense and see if there has been any change in their views.

Mr. Shigemitsu said that if there was any information which could be conveyed about U.S. thinking on economic cooperation in South and Southeast Asia, Japan would always appreciate receiving it.

The Secretary asked the Foreign Minister whether Japan is now selling more in Southeast Asia. He recalled that when the French were in authority in Indochina the U.S. gave considerable financial assistance to France which was reflected in the availability of francs locally in Indochina. Now United States assistance goes to this area directly and the Secretary wondered if this did not lead to some increase in Japan's trade with Indochina.

Mr. Shigemitsu said that trade with the area had increased and that on the whole the U.S. economic assistance to Southeast Asia had helped Japan's exports considerably. Mr. Yukawa said that in 1954 Japan had exported $480 million worth of goods to the area representing 32% of its exports and had imported $380 million worth representing 20% of its total imports.

The Secretary and Mr. Hollister suggested that the figures for 1955 should reflect an increase.

Mr. Shigemitsu said that they hoped for such an increase. As for China trade, he asked if the U.S. thought it was too early to consider a change. Mr. Dulles said yes.

The Secretary asked if any of the approximately 290 items referred to in the Japanese paper which are exportable to the European-Soviet Bloc but embargoed to Communist China were of particular importance to Japan. Mr. Yukawa referred to galvanized iron sheets. The Secretary suggested that Japan's experts might discuss particular items with U.S. experts and let the U.S. Government know which ones if any were of particular importance. The Foreign Minister said that this would be done.

Mr. Shigemitsu then presented and read a paper on war criminals (attached).[5]

The Secretary referred to the announcement being made that day with respect to the parole of an additional 22 persons under U.S. jurisdiction.[6] He handed the Foreign Minister a copy of the list of persons to be paroled. He suggested that this was at least a step in the direction desired by Japan.

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[5] Not printed. It contained a request that the United States release all Japanese under its jurisdiction who were still in confinement.

[6] The announcement contained the names of all those paroled. For text, see Department of State *Bulletin*, September 12, 1955, p. 421.

Mr. Shigemitsu expressed thanks but said that he hoped for further steps.

The Secretary said that it was a very difficult situation because the persons who are still in custody have committed what the Japanese would recognize as grievous crimes. The Japanese might say that crimes were committed during the war on both sides. This may be true to some extent but the actual records in this case give rise to some very real concern. The U.S. is trying to work this problem out as best it can. Granting that it may tend to create anti-American feeling for the U.S. to continue to detain these persons, it is also important to bear in mind that if there were a spectacular blanket release there would be protests by various organizations and individuals in this country and this would tend to revive anti-Japanese feeling here. The way out of this dilemma is not easy to find but it has been solved so far without stimulating anti-Japanese sentiment. The U.S. Government is trying to continue to handle it in a way to accomplish Japanese desires without incurring liabilities here which are not in the U.S. or Japanese interest. Therefore, it is not possible to promise a general parole but the U.S. Government is working in this direction with due regard to what its own people consider to be just and to averting a public outcry which could revive feelings in the U.S. which have been beneath the surface—but not far beneath. The whole problem has been given careful thought, has been considered personally by both the President and the Secretary and has been reconsidered from time to time.

The Secretary added that with respect to the seven persons convicted by the International Tribunal, there is now agreement among the countries concerned that the sentences can be reduced within the near future.

Mr. Shigemitsu expressed appreciation for U.S. consideration of this subject. He then presented and read a paper on the Ryukyu and Bonin Islands (attached).[7]

The Secretary said that he thought it should be made clear in the interest of mutual understanding that the U.S. is not prepared at this time to give any consideration to a change in the status of the Ryukyu and Bonin Islands. The U.S. drew the line in the Treaty farther south than was originally intended and thereafter returned the Amami Islands to Japanese administration. That is all that the U.S. is prepared to do with respect to a change in the status of the islands. The U.S. is making large defense expenditures in these areas and it does not appear to be in the common interest for their status to be agitated. With respect to Japan's residual sovereignty the Secretary said that he was prepared as Secretary of State to stand by his statement as Delegate of the U.S ~~to the Peace~~ Conference at San Francisco. With respect to the nationality of the inhabitants he did not know that the U.S. had made any statement on this point. It was a complicated subject which it might be possible to clarify but it will have to be studied with our legal experts. He said that this would be done and the Japanese would be further advised. With respect to the return of inhabitants to the Bonins, he was not very familiar with this matter and preferred not to comment. The Defense Department had very much opposed their return and it was his recollection that they had valid security objections. It would be discussed with the Defense Department again.

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[7] Not printed. It contained arguments for the restoration of both groups of islands to Japan.

Mr. Shigemitsu said that of the Bonin Islands, Iwo Jima was the only one that was fortified.

The Secretary then read the draft of a final joint statement which had been prepared by representatives of the two sides and it was agreed with minor drafting changes.

In the course of consideration of the final statement the Secretary commented, on reading the sentence on settlement for economic assistance, that he "was very glad to know that".[8] In connection with the words "in Tokyo" in this sentence, Mr. Kono made a remark in Japanese. Mr. Matsumoto explained that Mr. Kono wanted to be sure the negotiations were in Tokyo because he wants to be sure that he participates.[9]

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[8] In the joint statement as released on August 31, the sentence reads: "It was agreed that no major obstacles remain to settlement for economic assistance rendered to Japan during the occupation and that utmost efforts will be made to bring the negotiations in Tokyo on this subject to an early conclusion." For text, see Department of State *Bulletin*, September 12, 1955, p. 419.

[9] Part of a memorandum by Finn of a conversation held September 15 between Kono and Murphy reads as follows: "Mr. Kono commented that settlement of the GARIOA claim would be virtually impossible before a conservative merger, since the Liberals would attack a settlement at any figure on the grounds it was too high." (Department of State, Central Files, 794.00/9–1555)

48. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and Senator Walter F. George in Vienna, Georgia, August 31, 1955, 6:21 p.m.[1]

TELEPHONE CALL TO SENATOR GEORGE IN VIENNA, GA.

The Sec. referred to the Japanese visiting him. G. does not know how many and said he would get them at the nearest airport. The Sec. said he thinks that very nice. G. thinks it will be general and noticed what they said today. The Sec. said we have just concluded our talks here and they have been very satisfactory. He thinks they will push ahead with their own military establishments and relieve us of responsibilities there. That is the main thing we talked about. They are interested in trade business. The Sec. said they are being pretty good in taking steps not to flood the American market with Japanese goods. They are trying to do that and the Sec. said G. might usefully emphasize that. G. will and asked if there is anything else the Sec. can suggest. The Sec. said the only other thing to emphasize is that they don't gain anything by making concessions to the Commies. Also, they want a new form of security treaty. The Sec. said when they are entitled to it, they can get it, but they should not think that with a new form of treaty, the Commies will be stilled. As long as they are working with us, they will be shouting they are an American colony. They needn't think they can change that situation by changing the treaty. G. agreed. G. said we would have to stand by if trouble came. The Sec. indicated agreement. The Sec. said we have agreed on a communiqué and suggested someone going tomorrow might take it. G. will be glad to have it, as he knew nothing about the fact they were due in.

[Here follows a brief discussion of the Middle East.]

G. said he supposes the Japanese are anxious to extend their trade in some areas where they think they would have profitable trade—SEA. The Sec. said we want to see that happen. The Sec. said he was going on vacation tommorow.

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Phyllis D. Bernau. Senator George was Chairman of the Senate Foreign Relations Committee.

49. Memorandum of a Conversation Between Secretary of State Dulles and Foreign Minister Shigemitsu, National Airport, Washington, September 1, 1955, 8:45 a.m.[1]

Mr. Shigemitsu expressed most warmly his appreciation for his treatment here and felt that the talks had been of inestimable value.

He asked whether or not we were giving thought to a possible Far Eastern conference. I said no, that one obstacle was the anti-Japanese attitude of Syngman Rhee. Shigemitsu said that Rhee was very difficult to deal with; that they had tried to be conciliatory but without any result.

I said that if ever the Japanese Government felt that a Far Eastern conference would be useful, I hoped that they would feel free to make the suggestion to us.

Mr. Shigemitsu said that if ever anything happened in Japan that we did not like, please to let him know through Ambassador Allison.

Mr. Shigemitsu said that he thought that sooner or later it would be necessary to recognize the fact of the Communist regime on the mainland, but that he hoped that we would not ever let the Communists get hold of Formosa. He said that that would have a very bad effect on the Philippines and, in that way, upon the whole Western Pacific situation.

I reaffirmed to Mr. Shigemitsu what I had said the night before at the dinner when speaking with Kono and Kishi that basic United States policy was to have Japan develop again into a great power; that we wanted the relationship to be one where the United States was backing Japan in the Western Pacific and not a relationship where we were wanting Japan to back us.[2] We were not an Asian country and had no ambitions to become one.[3]

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[1] Source: Department of State, Central Files, 033.9411/9–155. Secret. Drafted by Dulles. The conversation took place before Shigemitsu's departure.

[2] A memorandum by Bernau of a telephone conversation between Dulles and Senator George, held later that morning, reads in entirety as follows:

"The Sec. said last night the Japanese said they were quite satisfied that as long as he was SecState, there would be very good relations between the countries. The Sec. suggested G. assure them that present policies are not personal to the Sec. but are basic US policies—it would be helpful." (Eisenhower Library, Dulles Papers, General Telephone Conversations)

[3] In a letter to the President, also dated September 1, Dulles commented as follows on the Japanese talks:

"The Japanese conference has gone really well. I gave them some straight talk which was, I believe, wholesome. The fact that Kono and Kishi were also present was good, because they represent much political power. The important thing for us is to get the right-wing parties to consolidate and not tear each other apart and seek popularity by joining in the 'American go home' theme. I believe our talks impressed them with the need to consolidate on a platform of cooperation with the United States. I hope the impression will survive long enough for it to produce some political results." (*Ibid.*, Whitman File, Dulles–Herter Series)

50. Telegram From the Department of State to the Embassy in Japan[1]

Washington, September 2, 1955—8:53 p.m.

487. Your 621.[2] Following extracts from Dept. press briefing[3] August 31 after issuance communiqué.[4]

To question whether reference to contribution to peace security Western Pacific "means during conversations you both had in mind some time in future Japanese troops will be sent outside Japan for preservation international peace and security in Western Pacific" replied "yes". Clarified later during briefing as follows:

Query: With regard to sending forces abroad did Japanese discuss matter with that in mind? Were they ready and willing do that?

Reply: They recognized quite clearly, I think, that this is possibility which would arise if there were change in form of treaty. This clearly not something imminent any more than change in form of treaty imminent but is kind of problem which arises if form of treaty changed so that Japan incurs obligation for mutual or collective defense in area.

Query: Was that predicated on change in constitution?

Reply: That was one of things talked about as possibly necessary.

Query: Is that considered prerequisite by U.S.?

Reply: We have no judgment. Question is whether Japanese think it is possible under constitution or whether change required before they can.[5]

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[1] Source: Department of State, Central Files, 033.9411/9–155. Official Use Only. Drafted in FE/P and approved by McClurkin who signed for Hoover.

[2] In telegram 621, dated September 1 but sent September 2, the Embassy reported that editorials unfavorable to the Shigemitsu–Dulles talks had appeared in the Japanese press. The Foreign Minister was being criticized for making commitments without Diet or popular support, with special attention being paid to the question of possible dispatch of Japanese forces overseas. (*Ibid.*)

[3] Conducted by McClurkin.

[4] The pertinent paragraph of the joint statement reads as follows:

"It was agreed that efforts should be made, whenever practicable on a cooperative basis, to establish conditions such that Japan could, as rapidly as possible, assume primary responsibility for the defense of its homeland and be able to contribute to the preservation of international peace and security in the Western Pacific. It was also agreed that when such conditions are brought about it would be appropriate to replace the present Security Treaty with one of greater mutuality."

[5] In telegram 491 to Tokyo, September 3, the Department stated that it was advising newsmen that no commitments existed between the United States and Japan on the sending of Japanese troops abroad and that the subject had been discussed only in a hypothetical way. If asked, the Department said, it would state that it concurred in a statement made in New York on September 2 by Shigemitsu that no such understanding existed. In conclusion, the Department briefly summarized discussion of the issue in the August 30 conversation between Dulles and Shigemitsu; see Document 45. (Department of State, Central Files, 794.5/9–255)

With reference to six year plan and force levels stated our military think larger forces, ground forces in particular, would be necessary in Japan to meet what they conceive strategic requirement to be.

Query: Some years ago Secretary Dulles said it was our belief they needed 10 divisions and 350,000 troops. Is that still our thinking that is what strategic requirements are?

Reply: Roughly that number men. I wouldn't use number of divisions because divisions can be handled various ways. I think they tend think more rather than less divisions.

Query: In other words, we don't think it feasible to withdraw our forces from Japan until strategic requirement of 350,000 men achieved?

Reply: That does not necessarily follow.

Query: Did U.S. argue for 350,000 figure and try to force it on Japanese?

Reply: No.

Query: That is the American thinking—the military people?

Reply: I wasn't citing that as something which was discussed but as a long known U.S position which has been been talked about for long period of time but this was not subject of discussion at all.

Query: You have talked about infantry forces. What can you tell us about discussion of Japanese air and naval forces?

Reply: Not very much because it wasn't mentioned. There wasn't that kind of detailed discussion.

Query: Did anybody say "We have got to have 100 jet interceptors" or anything like that?

Reply: No.

Query: Six year plan could include buildup of Japanese air force?

Reply: Yes, and to that extent there was presentation of what thinking of Japanese defense authorities has been.[6]

Hoover

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[6] In telegram 662 from Tokyo, September 8, the Embassy reported that there was a consensus among Japanese press and political observers that the troop commitment issue overshadowed all the good results which might have been expected from the Dulles-Shigemitsu meetings and that Shigemitsu continued to be under heavy attack from the press, the Socialists, and even a majority of conservative politicians. (*Ibid.*, 611.94/9-855)

51. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, September 13, 1955—5 p.m.

695. Frank Matsumoto, who returned with Kishi September 10, called on Parsons yesterday afternoon. Following highlights:

1. Kishi immensely pleased with trip and so told Hatoyama when he and Matsumoto reported in Karuizawa 11th. Kishi and Kono both now have good understanding American viewpoint and this, in Matsumoto's opinion, most important result of trip. Kono "changed man" (for better) as result his contact with leaders in Europe and America. Kishi much impressed with friendliness and essential similarity of viewpoint towards Japan of most Americans he met including Senator George, Governor Dewey[2] and Paul Hoffman who discussed Japanese-American economic questions with him at some length. Kishi believes Japan cornerstone of U.S. policy in Far East.

2. Kishi, Kono and Matsumoto all continue fully agreed with Secretary's view that mutual security treaty proposed by Shigemitsu premature. Kishi considers Shigemitsu grossly overplayed magnitude Communist threat within Japan in mistaken argument for treaty. Discussion mutual security treaty nevertheless of value because behind scenes in Tokyo idea going around that if Japan wants equality and status as major power, it must accept obligations as well as benefits of collective security whether with U.S. or in U.N.

3. Kishi and Bukichi Miki had been agreed on easing Shigemitsu out of office. Kishi could have him removed at any time. However, notwithstanding Kishi, Kono, Matsumoto dissatisfaction with Shigemitsu's handling of Washington talks, Kishi had decided Shigemitsu should not be eased out now for fear would undercut value Japanese-American talks.

4. Kishi had made good impression in U.S. Matsumoto had privately praised his performance and loyal cooperation to Hatoyama. Therefore, Kishi–Hatoyama relationship now on better basis, also Matsumoto's own position.

5. Former progressives (Shigemitsu's party) still opposing consolidation or merger conservatives. Kishi now believes Hatoyama should be first president of consolidated party.

Allison

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[1] Source: Department of State, Central Files, 611.94/9–1355. Secret.

[2] Thomas E. Dewey, Governor of New York, 1943–1955; subsequently partner in the law firm Dewey, Ballantine, Bushby, Palmer, and Wood.

52. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State[1]

Washington, September 18, 1955.

SUBJECT

Japan–USSR Negotiations

1. The Soviets have expressed a willingness to return the Habomais and Shikotan as part of *a total agreement*. Malik said this would be conditional on Japan's not militarizing these islands.

2. Malik and Matsumoto have substantially agreed on the following: the Soviet Union will grant amnesty to about 1365 Japanese "war criminals" once a treaty has been signed; the Soviet Union will support Japan's application for entry into the United Nations; detailed arrangements for a commercial agreement and a fisheries agreement will be negotiated later.

3. The major issues outstanding are: (a) the Soviet Union wants Japan to recognize its sovereignty over the Kuriles and South Sakhalin, while Japan is still claiming sovereignty over the southernmost Kuriles and wants disposition of the remaining disputed territories to be decided later by the Allied Powers involved; (b) the Soviet Union wants Japan to prohibit passage through all straits connecting with the Sea of Japan by non-riparian powers, while Japan objects to this provision; and (c) the Soviet condition that the Habomais and Shikotan be demilitarized.

4. Hatoyama may well decide that the time has come for Japan to reach agreement with the Soviets. We have had information from Tokyo that Hatoyama may be in a mood for compromise, particularly in view of his shaky political position and the recent decline in the influence of Shigemitsu, who has been the most outspoken advocate of hard bargaining with the Soviets. The results of the Adenauer visit to Moscow[2] will lend force to arguments for resuming relations without settlement of all issues.

5. Our policy has been to avoid any appearance of interfering with the talks, although we have given Japan advice on a number of points and have made clear that any agreements between Japan and the Soviet Union must not conflict with the San Francisco Treaty and our Security Treaty. Japan will almost certainly continue to reject the Soviet position on the straits as outlined in paragraph 3(b). This is probably a bargaining point on the part of the Soviets.

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[1] Source: Department of State, Central Files, 661.9429/9–1855. Secret. Drafted in NA.

[2] German Chancellor Konrad Adenauer visited Moscow in September 1955.

6. Tab A is a telegram for your signature[3] recommending to Ambassador Allison that he discreetly advise high Japanese officials of our views that (a) we hope Japan will do nothing implying recognition of Soviet sovereignty over the Kuriles and South Sakhalin and we believe disposition of these territories should be left for future international decision,[4] (b) the Soviet proposal to prohibit entry into the Japan Sea by warships of non-riparian powers violates international law and would virtually nullify the naval aspects of the US-Japan Security Treaty,[5] and (c) the Soviet proposal for demilitarization of the Habomais and Shikotan would appear to be an unjustifiable derogation of Japanese sovereignty over these islands.

7. While not feeling strongly, EE does not believe we should give any advice to Japan regarding the Kuriles and South Sakhalin at this time (point (a) above) on the ground that Japan will probably be unwilling in any case to recognize Soviet sovereignty over these areas. I believe, however, that it is advisable to make perfectly clear to the Japanese our view that Japan should do nothing implying recognition of the Soviet claim and that the future disposition of these areas, like Formosa, should await future international decision. I also believe that it is in the United States interest to do what we can to prevent the Soviets from strengthening their color of title to the Kuriles and Sakhalin.[6]

Recommendation:

That you sign the attached telegram (Tab A).[7]

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[3] Draft prepared in NA and sent as telegram 609 to Tokyo, September 18. (Department of State, Central Files, 611.94/9–955) The draft was modified by Dulles in several places, as noted in footnotes below.

[4] The pertinent sentences of the draft read: "Hope Japan will do nothing implying recognition Soviet sovereignty over Kuriles and South Sakhalin. Believe disposition these territories should be left future international decision." As modified by Dulles, in telegram 609, these sentences read: "Hope Japan will do nothing implying recognition Soviet sovereignty over Kuriles and South Sakhalin although of course accepting Japan's renunciation under Article 2(c) of 1951 Peace Treaty. Believe final disposition these territories should be left future international decision."

[5] In the draft, the relevant sentence reads: "Soviet proposal prohibit entry warships non-riparian powers into Japan Sea violates international law and would virtually nullify naval aspects US–Japan Security Treaty." After modification by the Secretary, in telegram 609, this sentence reads: "Soviet proposal prohibit entry warships non-riparian powers into Japan Sea violates international law and would nullify and violate sea-force aspects US–Japan Security Treaty."

[6] In telegram 773 from Tokyo, September 22, Allison reported he had that day given Shigemitsu and Tani a paraphrase of telegram 609, that Shigemitsu had said the paragraph on the Kuriles expressed the Japanese position exactly, and that both men had "nodded approval" while reading the remainder. Shigemitsu had remarked that the London negotiations were in effect suspended. "Shigemitsu further stated emphatically that government had not and and did not intend to change its previous position vis-à-vis Soviet negotiations." (Department of State, Central Files, 794.022/9–2255)

[7] A handwritten note on the source text reads: "Signed by Secy 9/18/55 and sent."

53. Letter From the Acting Secretary of State to the Assistant Secretary of Defense for International Security Affairs (Gray)[1]

Washington, September 23, 1955.

DEAR GORDON: During my two-day visit to Japan starting October 3, I expect to be asked a number of questions on defense matters. I do not propose to negotiate with the Japanese on any of these but I think it will be necessary for me to have the current thinking of the Department of Defense on two major problems—the size of our forces in Japan and Japan's contribution to their support.

Any change in the strength of our forces in Japan will have an important bearing on Japan's economy and on the Japanese attitude toward their defense contribution to us. As I understand our plans on the basis of preparations for the talks with Shigemitsu, we intend by July 1956 to reduce our ground forces in Japan from about 66,500 men to about 29,000, while our air strength of 39,000 and naval strength of 8,100 will remain about the same. This would mean a reduction from a total of about 113,000 men to about 76,000. I would appreciate confirmation of these figures as well as any comments you care to make on our plans for reduction over the next couple of years.

The Japanese will almost certainly press for a further reduction in their contribution to our forces under Article XIV of the Administrative Agreement. I believe that a repetition of last year's prolonged and acrimonious negotiations with the Japanese on this issue would prejudice our efforts in accordance with NSC policy to build political stability in Japan and encourage their cooperation with us on defense matters. Therefore we should try to reach a rapid settlement this year. It is my opinion that Japan will be most reluctant to spend more than 140 billion yen for all defense purposes in its coming fiscal year, an increase of 7.3 billion yen from the current 132.7, and that it will not substantially increase the figure of about 103 billion yen tentatively set in its current plans for the Japan Defense Agency. I have accordingly attached two alternative schedules either of which could be the position which the United States would seek to achieve in negotiating with Japan on its JFY56 defense expenditures. These schedules also provide for defense spending by Japan through JFY 1959, although of course the figures beyond JFY 56 would be subject to subsequent negotiation and might then be revised upwards. I realize that the implications of last year's understanding with the Japanese could lead us to press them for a considerably higher defense budget next year, but I believe that it would be politically most unwise for us to do so. I should therefore appreciate your concurrence in these schedules, either of which reflects the kind of understanding I believe we should seek to obtain.

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[1] Source: Department of State, Central Files, 794.5/9–2355. Secret. Drafted in NA and sent to Hoover under cover of a September 21 memorandum from Robertson (also drafted in NA). (*Ibid.*, 110.12–HO/9–2155) As pointed out in the memorandum, the Embassy had in telegram 735 from Tokyo, September 17, suggested that the preparations for Hoover's visit to Japan be used as a means for coming to an agreement with the Department of Defense on the size of U.S. forces in Japan and the size of the Japanese contribution to their support. (*Ibid.*, 110.12–HO/9–1755)

Since I plan to leave on September 29 I should appreciate hearing from you as soon as possible. If you wish I should be glad, before I go, to meet with you to discuss these problems.

Sincerely yours,

Herbert Hoover, Jr.[2]

Attachment

ALTERNATIVE SCHEDULES ON JAPANESE DEFENSE SPENDING

(Under its tentative six-year defense plan Japan plans to increase spending for its Defense Agency by about 15–20 billion yen annually and by JFY 1960 will reach somewhat less than 200 billion yen. The estimated Defense Agency budget for JFY 56 is 103 billion yen or an increase of 16.2 billion yen over JFY 55.)

A. If the Japanese Government will alter its defense plan to include an annual increase of ten billion yen in total defense costs now set at 132.7 billion yen, the U.S. will agree to phase out support for U.S. forces by JFY 1959 by accepting an annual reduction of one-quarter of the funds allocated to the support of the USFY in JFY 1955 (46 billion yen in total consisting of 38 billion under Article XXV and 8 billion for rentals and airfield extension) or 11.5 billion yen annually. This alternative works out as follows (figures in billions of yen):

	JFY 56	*'57*	*'58*	*'59*
Japanese Defense Agency	108.2	129.7	151.2	167.7
Contribution to U.S. Forces	29.5	18	6.5	
Rentals	5.0	5	5	5
	142.7	152.7	162.7	172.7
	($396 million)	($424 million)	($452 million)	($480 million)

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[2] Printed from a copy that bears this stamped signature.

B. If the Japanese Government carries out its plan, the U.S. will agree to a reduction in the yen contribution equal to about 50% of the increase in the Defense Agency budget starting in JFY 56. This alternative works out as follows:

	JFY 56	*'57*	*'58*	*'59*
Japanese Defense Agency	103	125	150	175 (based on Six-Year Plan)
Contribution to U.S. Forces	30	19	6.5	
Rentals	7	6	5	5
	140	150	161.5	180
	($389 mil)	($422 mil)	($449 mil)	($500 mil)

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54. Telegram From the Department of State to the Embassy in Japan[1]

Washington, October 1, 1955—2:46 p.m.

Unsec 1. Our 692.[2]

1. Main points Gray–Hoover letter September 29[3] are:

(a) Though political difficulties are recognized should make every effort obtain Japanese defense expenditures required development forces indicated their Six Year Defense Plan particularly since US cannot guarantee $130–150 million annual military assistance planned.

(b) Gray reluctant assent [illegible] schedule proposed Hoover letter since they would violate prin[illegible] August note exchange [with] Japan that current reduction Japanese yen contribution temporary and that any increase Japanese defense effort above current level should be shared equally between US and Japan. Agreement permanent reduction yen contribution would relinquish valuable bargaining position.

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[1] Source: Department of State, Central Files, 110.12-HO/10–155. Secret; Priority; No Distribution Outside Department. Drafted in NA and approved by Sebald who signed for Dulles.

[2] Dated September 29, telegram 692 summarized the main points of the letter *supra*. (Department of State, Central Files, 794.5/9–2455)

[3] This letter is the enclosure to an acknowledgement from Robertson to Gray, October 5. (*Ibid.*, 794.5/10–555)

(c) Gray prepared make specific proposals on defense industry support and OSP providing Japan derives funds outside Defense Agency budget for this procurement and will continue it at least two years.

(d) Influenced by CINCFE views. If adjustment unavoidable, ready discuss alternatives based extent possible principle equal contributions and proposal paragraph (c) above.

2. Our comments are:

(a) Understand Japan willing spend in JFY 56 net more than about 140 billion yen for defense. Convinced efforts get substantial increase will prejudice US-Japanese relations and Japanese political stability as happened April 1955 negotiations, will sharpen Japanese opposition Administrative Agreement, and will make it harder for Japanese Govt develop necessary public support for increased defense effort since it will continue appear their defense measures are dominated by US desires and pressures.

(b) Important thing in this year's discussion Japanese defense budget and reduced contribution to US forces is not whether base figure of $155 million and matching principle are retained. What is vital is solution consistent with NSC policy which impliedly rejects matching principle.[4] However no objection seen to using it as proposed para c (1) your 793[5] since goals of securing increased Japanese defense expenditures (including use for defense purposes of reduction in contribution) can probably be achieved thereby without prejudicing political or economic stability.

(c) Believe disadvantages of resentment and criticism existing security arrangements would greatly outweigh possible bargaining advantages should US adopt Defense–FEC position which designed to obtain total Japanese defense expenditure of over 154 billion yen. Also doubt advisability linking yen contribution negotiations directly with our other defense programs in Japan.

3. Believe important you and Allison discuss this subject with Lemnitzer if possible.[6] Department will however continue endeavor reconcile its views with Defense in effort obtain satisfactory US position without delay.

Dulles

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[4] Reference is to the military sections of NSC 5516/1, Document 28.

[5] In telegram 793, September 24, the Embassy proposed, as one possible method for calculating a reduction in the yen contribution, U.S. agreement to a reduction equivalent to a 50 percent increase in the Defense Agency budget over 86.8 billion yen. "Assuming DA budget of 103 billion yen and rentals of 6 billion yen, yen contribution would be 29.9 and total budget 138.9 billion yen. Reduction would be 8.1 billion yen." (Department of State, Central Files, 794.5/9–2455)

[6] See Document 56.

55. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, October 5, 1955—6 p.m.

Secun 11. From Hoover. I called on Prime Minister this morning accompanied by Ambassador, Hollister, and Prochnow. Meeting lasted well over hour, during which Hatoyama exceptionally cordial but rather vague, seeming miss point altogether on some occasions, dodged direct answer on others. Following is summary his comments on principal points raised:

US relations: Hatoyama several times stressed that he considered close and friendly US: Japanese cooperation keystone his policy, was most pleased with results recent Washington talks. Also said he considered fact that he had emphasized and expanded basis for such cooperation was principal reason for his continued popularity with Japanese people.

Japan-Soviet negotiations: He had impression negotiations would be settled soon. Although liberals and some of public were pressing for return Kuriles and South Sakhalin he believed that Japan had relinquished her rights to these at signing San Francisco treaty. However Japan would insist on return Habomai and Shikotan "without conditions", would not accede to Russian insistence on limited navigation rights Japan Sea and other waters. He did not believe Japanese detainees would be returned prior to making treaty settlement. I counseled patience pointing out that Soviet negotiators would undoubtedly follow customary tactic of refusing make agreement until last possible concession extracted from Japanese, but Hatoyama only nodded agreement and did not comment.

Conservative unity: I mentioned deep US interest in seeing some solution to problem political stability in Japan and asked about progress conservative merger. Hatoyama replied that success current Democratic-Liberal negotiations still very much in doubt. He admitted fact that Liberals anxious avoid dissolution was factor favoring merger and said he hoped it could be achieved. However, he continued believe that merger based on shaky foundation (with possibility future split) would be useless. He said he would much prefer have election and increase strength Democratic Party. If merger became impossible he considered it best hold election "as soon as possible." Prime Minister believed Democrats would be better prepared for elections this time, might not win decisive majority but could gain at least 40 seats. He pointed to results recent public opinion polls which indicated both he and Democratic Party still extremely popular.

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[1] Source: Department of State, Central Files, 110.12-HO/10-555. Confidential.

Trade with Communist China: I stressed fact US public opinion very sensitive on question Communist China and that any indication Japan intended enter into relations with mainland government would create unfavorable reaction. While I explained we understood Japan's desire expand trade, I pointed out that Japanese Government should take pains to put any such arrangements into proper context in order avoid misunderstanding. Hatoyama replied that trade with Chinese Nationalists now greatly exceeded that with mainland but that Japan urgently felt need recapture lost markets in Commie China. He said he understood feeling US people because of Communist Chinese participation Korean war and said Japan did not intend "go any further" than expansion trade relations. He added he believed Japanese public opinion valued good Japanese-American relations more than anything else and said government would exercise caution in dealing with Communist Chinese.

Economic matters: Hollister pointed out US aid program in Far East expanding and that considerable buying would naturally be done Japan. He pointed out that now would be time for Japanese industry to develop to meet this demand as substitute for offshore procurement. Hatoyama made vague reply, suggesting he would like fit in such program with Philippine and Indonesian reparations problems. Hollister continued that of course capital essential for such development and that investment foreign capital (particulary US capital) should be encouraged in order allow Japan get fair share trade. We both pointed out little basis for fear foreign economic domination through these means.

Hatoyama agreed that encouragement foreign capital investment "vitally important," said he had been impressed by Sakuma Dam project where US technical assistance had produced amazing results. He said he also keenly aware necessity for Japan recapture South East Asian market from Communist China and other countries who have moved in.

Pouching memo conversation.[2]

Allison

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[2] A copy of this October 5 memorandum of conversation (drafter not indicated) is *ibid.*, 110.12-HO/10-555.

56. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, October 6, 1955—10 p.m.

Secun 14. Visit Tokyo though necessarily short has been most interesting. No major substantive discussions have been held with Japanese or with US military. Your Unsec 1[2] noted but had no opportunity to look into subject deeply. Lemnitzer position is that Japan can afford economically to make defense expenditure of 155 billion yen in view fact this represents only 2.3 percent gross national product, which is less than any European country putting up for defense. Agreed Allison and Lemnitzer will send joint cable this subject when latter returns from Korea. Initial position for bargaining purposes might well be DOD position reaching compromise with Japanese on lower figure.

Exchange views on wide range subjects has been most useful. Separate cable has been sent on my talk with Prime Minister.[3] At Foreign Minister's dinner October 5, opportunity developed to discuss number of subjects with Shigemitsu and Kono separately. Kono brought up following subjects:

1. Establishment agricultural training school in Japan for Asian region. He did not mention money. I simply indicated familiarity with proposal and referred to Hollister and ICA Mission for further discussions.
2. Conservative Party merger conversations have been proceeding with various factions. Merger may be expected by end of year or shortly thereafter. I emphasized we had no concern with Japanese internal affairs but were aware of vital importance of stable political base in meeting Communist threat. Kono expressed vigorous agreement.
3. Defense plans. Meeting of Defense Subcommittee of Cabinet had been held at which it was agreed Japanese Government wished to follow lead US Government in this regard and most anxious to be informed as to our plans. I observed we felt we had identity of interest with Japan, that we both had same goal in mind—to see Japan able to stand firmly on its own feet. In discussion defense problem with Kono, I took occasion to say General Lemnitzer regarded as one of US most competent military leaders, that he had complete confidence of Washington top level and Japanese officials could discuss with him frankly any matters whatever. To Kono's query as to how to get in touch with Lemnitzer, I suggested Ambassador Allison be contacted and he would arrange.

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[1] Source: Department of State, Central Files, 110.12-HO/10-655. Secret.

[2] Document 54.

[3] *Supra.*

Conversation with Shigemitsu touched on most of subjects covered with Prime Minister and Kono. In confirming favorable outlook for Conservative Party merger, he commented that there was virtually no difference between left wing Socialists and Communists in attitude on international issues. On defense matters, Shigemitsu's principal comment was that defense forces agreement should be concluded soonest. When he brought up subject of Japanese-Russian negotiations, I observed that experience had taught us to remain firm and patient and related the Austrian experience as illustration.

Foreign Minister also referred to Colombo Plan meeting,[4] indicated its importance from Japanese viewpoint and said they would like to cooperate with us fully and would await our lead. I expressed appreciation, and indicated that many proposals had been made on which we had not yet taken final position.

Re Korea, Shigemitsu said Japan was most anxious to develop better relations but anything they did was misinterpreted. He said they would make no further gestures until climate improved. I said I understood the problem but hoped Japan would stand ready to cooperate with Korea when opportunity presented itself. Shigemitsu was most friendly and cooperative and seemed sincere. His posture on many questions seems to have been greatly influenced by new viewpoints acquired in trip to US, in fact, all Japanese have been friendly and frank. Tani and others have counseled us to be "patient", repeating that while it will take time they are hopeful working out their problems. Considerable interest shown in economic matters, and Hollister and I have taken every opportunity to stress importance of contribution that can be made by foreign investment. We had most satisfactory conference with Board of Governors of American Chamber of Commerce on tax problem.[5] They appreciated efforts of Embassy and Department their behalf and general feeling seemed to be that Japanese would "work something out".

Although I have refrained from pushing hard on any particular point I have emphasized throughout conversations strong US attitude regarding Communist bloc.

Allison

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[4] The Ministerial Meeting of the Consultative Committee on Economic Development in South and Southeast Asia (Colombo Plan) took place in Singapore, October 17–21, 1955. Documentation on the Hoover–Hollister East Asian trip, including Hollister's participation in the meeting as U.S. Representative, is in Department of State, Conference Files: Lot 59 D 95, CF 534–541. For Hollister's address before the meeting on October 20, see Department of State *Bulletin*, November 7, 1955, p. 747.

[5] Reference is to the then-pending termination of special income tax rates on foreign businessmen and their replacement by new, higher rates, which took place January 1, 1956.

57. Memorandum From the Secretary of State's Special Assistant for Intelligence (Armstrong) to the Acting Secretary of State[1]

Washington, October 10, 1955.

SUBJECT

NIE 41–55: Probable Developments in Japan Over the Next Decade[2]

On September 27, 1955, the Intelligence Advisory Committee approved an estimate on probable developments in Japan over the next decade. The principal conclusions are as follows:

Japan is unlikely within the next ten years to develop sufficient power and prestige to play a major role as a leader or defender of the non-Communist Far East. Given favorable international circumstances, however, it should make gradual progress in overcoming its serious political and economic problems and become a valuable adjunct of free world power in the Far East.

Because of its security and economic needs Japan will remain basically aligned with the US. But in its quest for a more independent position it will become more assertive towards the US and will seek to improve its relations with the Communist bloc and with the countries of free Asia.

The Japanese must expand their economy considerably to sustain a large and growing population at tolerable levels of consumption and employment. The requisite export expansion will depend importantly on factors beyond Japan's control such as the level of world trade, the reduction of trade barriers, and the rate of economic growth in underdeveloped areas. Because of its imbalance in dollar trade Japan will need US assistance for at least the next few years.

Japan will continue to rely on the US for strategic security but will seek an equal voice in arrangements for the defense of Japan and is unlikely over the long term to agree to the continuation in Japan of bases under exclusive US control. It will strengthen its own defense forces, with emphasis on the air force and navy, but its over-all effort will be limited.

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[1] Source: Department of State, Central Files, 794.00/10–1055. Secret. Sent through S/S.

[2] Dated September 27, not printed. According to a note on the cover sheet, this NIE was prepared by the CIA and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff, and was concurred in by members of the IAC, with the exception of the representatives of the AEC and the FBI, who abstained on the ground that the subject was outside their jurisdiction. (*Ibid.*, INR–NIE Files)

The conservatives will probably remain in office during the next decade except possibly for brief interludes of Socialist control. However, they will probably not provide strong leadership for some time to come.

Prolonged economic distress would weaken moderate political forces, encourage extremist parties of both right and left, and probably lead eventually to an ultra-nationalist resurgence. In the event of an imminent threat of general war, Japan might attempt to assume a neutral position in an effort to avoid nuclear destruction.

PA

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58. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, October 25, 1955—5 p.m.

1000. Pass Defense. Joint Embassy–FEC message. General Lemnitzer and I have discussed at length problem of Japanese defense budget with particular reference to Japanese contribution to USFJ. We agree that last August exchange of notes made clear that reduction in Japanese contribution to 38 billion yen was for one year only and that para 9 of confidential Japanese note of August 20 clearly stated that any reduction in next fiscal year would be from the full amount of 55.8 billion yen ($155 million), and that appropriation of more than 86.3 billion for JDA in JFY 56 would be the basis for considering any reduction of the yen contribution in JFY 56.

For this reason, we are convinced, as result of rereading August exchange of notes, that if we propose in first instance position previously advocated by Embassy,[2] we would thereby officially imply that we take lightly formal inter-governmental agreements less than six months old. We might thereby also cast doubt on all future agreements we may sign, in light clear understanding given Japanese in agreement and negotiations that concessions for JFY 55 "extraordinary measure", not to be anticipated in future.

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[1] Source: Department of State, Central Files, 794.10/10–2555. Secret; Priority.

[2] In telegram 921 from Tokyo, October 14, the Embassy argued that both the public and the confidential notes exchanged between the United States and Japan on JFY 1955 yen contributions and Japanese defense spending were ambiguous enough so that it was not obligatory for the parties to compute the reduction of the yen contribution for JFY 1956 from the old ($155 million) base figure:

"Basic objection to reversion to $155 million is that it appears make impossible increase in Defense Agency budget over JFY 55 figure of 86.3. Defense position would allow increase in DA budget only if total defense budget exceeds 149 billion yen whereas, regardless their economic capabilities, Japanese not willing accede to budget much over 140 billion yen. Even if US agreed to reduction from 155 million equivalent to full increase (without 50–50 sharing) in Defense Agency budget and additional defense costs, total budget would still be at minimum about 150 billion yen." (*Ibid.*, 794.5/10–1455)

On the other hand we also agree that the present political situation in Japan makes it most unlikely that the present Japanese Government will or can agree to a total defense budget including contribution to USFJ of more than the minimum figure mentioned involved in the exchange of notes of August 1955, i.e., 148.1 billion yen including 6 billion for rentals of facilities used by US Forces Japan which the Japanese were told would be basis from which to consider any reduction in yen contribution.

In fact, Japanese press reports (undoubtedly inspired by the Japanese Government) indicate that the Japanese intend to propose a figure even lower than that called for by the August notes. Published estimates of 103 billion yen for JDA and 30 billion for USFJ would indicate a Japanese total figure of around 139 to 143 billion yen, depending on the size of the rentals appropriation.

The principal risk involved in prolonged pressure on our part to get a substantially greater defense appropriation is that the Japanese people tend increasingly to interpret such pressure as interference in Japanese internal affairs. The publicity engendered [by?] unduly protracted negotiations will inevitably be adverse publicity from US viewpoint. At worst, protracted unproductive negotiations might provoke a Cabinet crisis and delay merger of conservative forces. In essence, the problem is to weigh the military value of a defense increase against the political cost to the US. We agree that negotiations should not be prolonged beyond the point at which there is no reasonable hope of an increase in defense expenditures of sufficient magnitude to outweigh the political damage to our position and to that of the conservatives.

We, therefore, request approval of the following courses of action:

a. Ask Japanese to present their proposal to us. (We have been unofficially informed that they are ready to do so.)

b. If as we anticipate, Japanese proposal is for total defense budget of around 140–143 billion yen (103 billion to JDA, 8–10 billion for facilities, and 30 billion for USFJ),[3] we would then call their attention to fact that August exchange of notes makes clear provision for conditions under which and manner in which yen contribution is to be reduced. We would request justification for not living up to this agreement.

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[3] On November 2, Shigemitsu informally proposed to Allison a formula which would have resulted in the following figures: Japanese Defense Agency, 103 billion yen; yen contribution to U.S. forces, 28.9 billion yen; rentals, 10 billion yen; total, 141.9 billion yen. (Telegram 1068 from Tokyo, November 4; *ibid.*, 794.5/11–455)

c. If, as we anticipate, it based on economic necessity and political expediency, we would then, at such time as we consider propitious, offer the concession outlined in para 4b of C–74149;[4] i.e., offer an additional reduction in yen contribution equivalent to any amount which Japan will appropriate and use as agreed to by US for JDA, over and above the figure required to support the JFY 56 portion of the six year plan.

d. If agreement cannot be reached in the above steps, then offer as an alternative to reduce the yen contribution from 55.8 to 38 billion yen for JFY 56 provided the Japanese will appropriate 148.1 billion yen including 6 billion yen to cover rentals of facilities in JFY 56. This reduction of 17.8 billion yen which is equivalent to the increased utilization of resources for defense purposes on the part of the Japanese Government over JFY 55, added to the Defense Agency minimum appropriation of 86.3 billion would provide 104.1 billion yen for the Japanese Defense Agency in JFY 56.

Should it develop that a defense appropriation for JFY 56 of 148.1 billion yen generally as outlined above would entail a degree of pressure on the Japanese which is likely to have unacceptable political consequences, further recommendations will be submitted for State–Defense consideration. In such case we hope Washington agencies concerned will be prepared to make speedy decision as any appreciable delay will increase dangers of adverse publicity mentioned above.

Request instructions soonest, as Shigemitsu already prepared to present Japanese position, and press reports indicate Japanese desire early settlement.[5]

Allison

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[4] Not printed.

[5] In a November 8 memorandum to Robertson, apparently given to him on November 9, Hemmendinger argued that the Embassy–FEC position (as presented above) was unrealistic, and that while the Japanese proposal of November 2 (see footnote 3 above) was negotiable, the Embassy–FEC position was not. It posed the danger that the previous year's "prolonged and acrimonious negotiations" might be repeated. Hemmendinger recommended that Robertson suggest to Hoover that he work out a negotiable U.S. position with Deputy Secretary of Defense Reuben Robertson. (Department of State, Central Files, 794.5/11–955) No information on Robertson's action on this proposal has been found in Department of State files.

59. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, October 26, 1955—1 p.m.

1005. Evident US position proposed in joint Embassy–FEC recommendations (Embtel 1000)[2] provides inadequate basis to arrive at agreed defense budget through use of general formula for reduction in yen contribution which could be applied in subsequent years. This almost inevitable if negotiations this year conducted under rigid provisions Article XXV 2(b) of Administrative Agreement and terms of annual agreements making reductions for one year only which FEC–Defense insisted upon in order avoid any implication Article XXV amended by annual agreements. As long as Japanese obligation to provide $155 million is in no way impaired by annual agreements, appears difficult to establish basis for general formula except on tenuous legal grounds.

Japanese, on other hand, led to believe by Washington talks and communiqué[3] that US prepared establish general formula for reduction over next few years. Government's willingness increase defense costs even to 140 billion yen probably predicated in good part on belief agreement on general formula will offset criticism of budgetary increase. US failure to seek agreed formula will undoubtedly be interpreted as lack of good faith on our part even though communiqué in no way represents legal commitment.

Under circumstances, I urge that we make honest effort to work out mutually satisfactory formula for reduction effective at least with JFY 57 budget. Formula would require prior revision of terms Article XXV which possible either by amending article or by provision in annual agreement for JFY 56 to effect yen contribution reduction will be extended to subsequent years. I prefer simple amendment of language Article XXV 2(b) in order avoid ambiguity and subsequent differences on interpretation of annual agreement.

I hope that I can be in position to negotiate amendment of Article XXV 2(b) and general formula for yen reduction during course of forthcoming defense budget negotiations since this likely facilitate JFY 56 budget agreement. Even if general formula would not apply to JFY 56 budget, our subsequent defense relations will be placed on regularized basis, free from binding legal provisions which have led to tough negotiations with Japanese on defense budget and consequent overinvolvement in Japanese budgetary procedures.

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[1] Source: Department of State, Central Files, 794.5/10–2655. Secret; No Distribution Outside State Department.

[2] *Supra.*

[3] Of August 31; see footnote 8, Document 47.

Deptel 887 received after completion above.[4]

Allison

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[4] In telegram 887, October 24, the Department stated that it believed amendment of Article XXV was necessary; that in the JFY 1956 negotiations it believed, and had told the Department of Defense, that as a minimum position Japan should spend 103 billion yen on its forces and contribute 30 billion yen to U.S. forces; that Defense had not yet submitted any figures of its own; and that while Defense believed the JFY 1955 defense notes obligated Japan to match any reduction in the yen contribution by equivalent spending on its own forces, it was considering State's position "that since NSC rejected this principle US need not adhere to it." (Department of State, Central Files, 794.5/10–1455)

In telegram 1034, November 15, the Department noted its reluctance to start negotiations on a basis that would produce acrimony but agreed with the contention in telegram 1000 that the United States "should not ignore clear provisions August note exchange. Believe however long-term foreign policy considerations make it essential negotiations be conducted friendly manner commensurate with NSC [5516/1?] paragraphs 48 to 51 and particularly requirement US should avoid pressing Japanese increase their military forces to prejudice political and economic stability.

"In consonance with above considerations you and CINCFE authorized commence negotiations on basis your 1000." (*Ibid.*, 794.5/11–1055)

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60. Memorandum of Discussion at the 266th Meeting of the National Security Council, Washington, November 15, 1955[1]

[Here follow a paragraph listing the participants at the meeting and items 1–3. Vice President Nixon presided at the meeting.]

4. *U.S. Policy Toward Japan* (NSC 5516/1; Progress Report, dated October 19, 1955, by OCB on NSC 5516/1)[2]

Mr. Anderson briefed the Council on the contents of the reference Progress Report (copy of briefing note filed in the minutes of the meeting).[3] He interrupted his briefing to permit Mr. Allen Dulles to make a comment on the merger of the two Japanese conservative parties announced in the press today.[4] Mr. Dulles predicted that the present Prime Minister would continue in office for some months, but that the present Cabinet would be considerably changed. He also commented that the merger of the two parties was a hopeful development, and that the single conservative party would have a good working majority in the Japanese Diet.

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[1] Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on November 16.

[2] According to this Progress Report, there had been "both favorable and unfavorable developments" in the last year in three major policy objectives of the United States in Japan: political stability and effective government, development of economic strength, and adequate defense capability. The report also noted, however, that "in each there has been some progress although slower than we would like. There is still a long way to go before any of the objectives is achieved." (Department of State, OCB Files: Lot 62 D 430, Japan)

[3] Minutes of all NSC meetings are in the National Archives and Records Administration, RG 273, Records of the National Security Council, Official Meeting Minutes File.

At the conclusion of Mr. Anderson's briefing, Secretary Wilson said he wished to make a statement. He said that some months ago we had discussed our military deployments in Japan, as had the Secretary of State, with Prime Minister Hatoyama.[5] From these discussions the Defense Department had come to feel that it would be desirable to withdraw some of our forces from Japan. By doing so we should help the Japanese to get forward with their own efforts to build a defensive military establishment. Admiral Radford, said Secretary Wilson, agrees with this line of thought.

Secretary Wilson estimated that we now had approximately 117,000 Army troops in the Far East. The initial plan was that this number should be reduced to approximately 90,000. Very recently, however, the Army had informed Secretary Wilson that they would prefer the level of Army forces in the Far East to stand at 98,000. The Defense Department, however, wants to stick to the 90,000 figure. Accordingly, the authorities in the Defense Department are currently talking of leaving two Army divisions in Korea, a regiment in Okinawa, and two regiments in Japan. Altogether this accounted for three divisions. The Marine Corps personnel will be brought back and stationed in Hawaii. Secretary Wilson indicated that he was now in the process of trying to secure agreement within the Pentagon that this was the right program for deployment of Army forces in the Far East, and that he would appreciate support from the State Department for this program.

Admiral Radford commented that carrying out the program would amount to a net reduction of 30,000 in the total of U.S. Army forces in Japan. Secretary Wilson added that this would leave about 35,000 in Japan, or approximately half the present strength of Army personnel based in Japan.

Secretary Hoover said that he believed that the State Department would agree in general with Secretary Wilson's program. At the present time, however, the State Department was heavily engaged in financial negotiations with Japan, and he wanted advice as to whether to tell the Japanese of our redeployment plans during the negotiations or after their conclusion. Admiral Radford said he believed that it was fairer to tell the Japanese of our plans prior to the conclusion of the negotiations. We would certainly want any reduction of the Japanese yen contribution to maintaining U. S. forces in Japan to be transferred to the maintenance of their own defense establishment.

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[4] See the memorandum, *infra*.

[5] Perhaps a reference to Dulles' discussions with Foreign Minister Shigemitsu in August 1955. See Documents 44, 45, and 47.

The Vice President inquired whether it was not customary for the President to give approval to plans involving deployment or redeployment of U.S. forces. Admiral Radford replied that the President had already indicated general agreement to the proposed redeployment plans for Japan. The reason that the issue had come up again was the Army's desire to change the over-all figure from 90,000 to 98,000.

The Vice President said that he presumed that if the State Department went along with the program there would be no difficulty.

The National Security Council:

Noted and discussed the reference Progress Report on the subject by the Operations Coordinating Board.

S. Everett Gleason

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61. Memorandum From the Director of the Office of Northeast Asian Affairs (McClurkin) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, November 18, 1955.

SUBJECT

Conservative Merger in Japan

Tokyo's telegram No. 1134 of November 15 (Tab A)[2] reports that Japan's two conservative parties, the Democratic Party of Prime Minister Ichiro Hatoyama and the Liberal Party of Taketora Ogata, merged on November 15 to form a unified "Liberal-Democratic Party". All Democratic members of the Diet joined the unified party whereas three Liberals, including former Prime Minister Yoshida, chose to remain outside the new party. The election of a party president has been deferred until April, when presumably Hatoyama will retire and Ogata will take over. In the interim a caretaker "proxy committee" consisting of Hatoyama (D), Ogata (L), Miki (D),[3] and Ono (L)[4] will administer party affairs. At a meeting of Hatoyama and Ogata on the 14th, it was agreed that Hatoyama would head the new cabinet and would be in charge of governmental business while Ogata would be responsible for party affairs. Kishi (D), who visited the United States with Foreign Minister Shigemitsu, is the Secretary-General of the new party. It is planned that the present Cabinet will resign on November 21 and that Hatoyama will be re-elected as Prime Minister when the extraordinary session of the Diet is convoked on the 22nd. The new Cabinet reportedly will be composed of nine former Democrats and seven former Liberals, and Shigemitsu will continue as Foreign Minister and Deputy Prime Minister.

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[1] Source: Department of State, Central Files, 794.00/11-1855. Confidential. Drafted by Richard M. Herndon on November 17.

[2] Not printed. (*Ibid.*, 794.00/11-1555)

[3] Takeo Miki, Minister of Transportation, March-November 1955.

[4] Bamboku Ono, Minister of State, May-July 1954.

As a result of the merger the unified Liberal-Democratic Party now holds 300 out of 467 seats in the House of Representatives and 118 out of 250 in the House of Councillors. As a result of the unification of the Socialists on October 13, the Socialists hold 155 and 69 seats respectively. The conservative "Green Breeze Club" in the House of Councillors (47 members) will probably support the Liberal-Democrats.

Tokyo's telegram No. 1138 of November 16[5] (Tab B) is the Embassy's estimate:

1. For the first time since 1952 the Government will enjoy a working majority in the Diet and will be in a position to run the Diet effectively.

2. These potentialities will probably not be realized immediately. Personal and factional rivalries of many years can be expected to continue. The question of party leadership has been postponed, not settled. There is no single strong man to enforce party discipline. However, the external threat of the Socialists will probably prevent the breaking up of the conservative alliance.[6] The election for the House of Councillors in April or May 1956 will be important.

3. The new party does not enjoy complete dominance over the Socialists, since the Socialists hold more than the one-third of the Diet seats necessary to prevent overall revising of the Constitution, a primary goal of the conservatives.

4. The conservatives are not at all confident of bettering their standing vis-à-vis the Socialists in an election. Many conservative leaders fear the mounting appeal of the Left.[7]

5. The following attitudes and tactics are likely to characterize the new party over the next few months:

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[5] Not printed. (Department of State, Central Files, 794.00/11–1655)

[6] McClurkin wrote the following in the margin next to this sentence: "Yes, it may be in our long-run interest if the Socialist merger does *not* break down."

[7] McClurkin added the following handwritten sentence after paragraph 4: "But Left-Socialist Katsumata told us that if the election law is revised to provide single-member districts, Socialist strength in the Lower House might be cut as much as ⅔."

(a) Internal consolidation of the party is the first order of business. Although rival factions will be maneuvering to preserve and strengthen positions, the "neutral leaders", Kishi and Bukichi Miki, will work hard to assure a permanent union on both national and local levels.

(b) In order to strengthen their position relative to the Socialists the conservatives will attempt to enact legislation to help them in future elections: revision of the election law to reduce the size of election districts; increased social security expenditures; an expanded housing program and increased subsidies. Unpopular though necessary measures such as austerity, increased defense expenditures and measures inviting the charge of "one-sided dependence on the United States" will be postponed.

(c) Basic consolidation of the conservative position will require at least one year. A general election which would open the way for constitutional revision will not be risked prior to consolidation.

6. The majority conservative government will be more responsible than the present Hatoyama minority regime and will be more capable of getting things done. With Liberals sharing the responsibility there will be less flirtation with the Communist orbit and a clearer affirmation of Japan's ties with the Free World. During the early period conservatives will move very cautiously in politically sensitive areas such as defense and will plead political weakness. They will move decisively in the defense field only after establishment of a firm political foundation.

7. The Embassy considers the conservative program sound, and one which will in the long run open the way for the achievement of goals both the United States and Japanese conservatives consider necessary. United States "advice" or pressure in regard to defense would probably be ineffective. A majority conservative government is likely to have an increased sense of self-confidence, independence and determination to carry out its own decisions. Conservative leaders will, without undue deference to the United States, feel that the United States is obliged to cooperate with and support them regardless of our approval or disapproval of their methods and timing, since presumably we have no one else to whom we can turn. This will be partially offset by the fact that conservative leaders know that Japan must rely heavily on the United States in the international field for some time to come.

I concur in general with the Embassy's estimate. This is a very encouraging development, although it is only one step by the Japanese toward stability and firmer control, and there is a long way for the conservatives to go. I also concur that it is important that the United States avoid *unnecessary* pressures on the new government during its formative period and do what we can to help strengthen the Liberal-Democrats.[8]

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[8] McClurkin wrote the following sentence at the end: "However, we should continue to try to get the Japanese Government to take an increasing *public* responsibility for Japanese defense measures, etc."

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62. Letter From the Ambassador in Japan (Allison) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Tokyo, December 14, 1955.

DEAR WALTER: I enclose a letter[2] which I hope may be of use to you on the Bonin question. For a few Department eyes only I would like to add the following:

The basic difficulty is and always has been the rooted determination of the Navy to keep foreigners, particularly Japanese, out of the islands they administer. Radford has personally been committed to this for years. The Navy simply dug in right after the war and has fought tooth and nail ever since to hold the line. This makes me suspect that alleged "security" considerations are really rationalizations in defense of Navy policy, rather than reasons on which national policy should logically be decided. One line of thought which I imagine is present though seldom if ever put on paper is: returning residents to former Japanese islands promotes reversionism and is therefore an entering wedge for eventual loss of control whereas the islands might some day be valuable to us.[3] If so, the argument should be frankly laid on the table by the Navy, specifying what they want the islands for and when. Then these purposes could be weighed against our other national objectives.

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[1] Source: Department of State, Central Files, 794C.022/12–1455. Secret; Official-Informal; No Distribution Outside Department.

[2] Not found in Department of State files.

[3] In a memorandum of a conversation held April 17, 1956, with Hiroto Tanaka, First Secretary of the Japanese Embassy, James Martin wrote in part:

"Mr. Martin said that in view of the relative unimportance of the claim of a few thousand Islanders it would seem that the Japanese Government had some other motive in urging for repatriation. Mr. Tanaka replied that repatriation was all the Japanese Government wished at the present time but that it wished to make good its claim for the future to both the Ryukyus and the Bonins and would very much like the United States Government to announce that the Ryukyus and the Bonins would be returned to Japan in the future." (Department of State, Central Files, 794.5/4–1756)

In addition, so many of the arguments which are adduced, like the one mentioned in the enclosed letter, are so obviously flimsy that the whole subject needs airing before an impartial tribunal. I would like to suggest the OCB for this purpose. It is unusually well adapted for short-circuiting obstructions in the Pentagon. Also it could effectively handle one of the cleverest of the Navy's stratagems—the interest of another agency in the Bonins, which is sometimes cited.

Indications from the recent visit of the Zablocki Study Mission[4] are that some support should be available on the Hill for a reasonable attitude on the Bonins. During a briefing in which high ranking military participated, several questions were asked by Congressmen in a way which implied that they felt more evidence was needed if a case is to be made for continued exclusion of the former residents. Replies from the military briefers did nothing to supply such evidence.[5]

Sincerely,

John

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[4] A Special Committee of the House Armed Services Committee, headed by Congressman Clement J. Zablocki, visited a number of Asian countries in October and November.

[5] In a January 9 reply, Robertson wrote:

"On the basis of my separate talks in recent months with both the Japanese Bonin evacuees and the four-man delegation from Chichi Jima, it was apparent that the Japanese found our emphasis on 'security' hard to understand, while the present-day residents unabashedly based their opposition to the return of the Japanese on understandable arguments of economic self-interest plus the fears of reprisals growing out of testimony they gave in war crimes trials. It was clear that the Japanese could not understand why the return of prewar residents who were not of Western descent should constitute a security threat when the return of those of Western descent did not constitute such a threat. They were frank in stating that the difference in treatment seemed to them to be racial discrimination. It was of interest talking with Chichi Jima representatives to note from their account of daily life in the Bonins that 'security' does not seem to inhibit them at all as far as their personal lives are concerned." (Department of State, Central Files, 794C.022/12–1455)

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63. Editorial Note

In budget negotiations with the Japanese Government, the United States negotiating team, in accordance with instructions (see footnote 4, Document 59), presented a formula which would have set the Japanese defense budget at 163 billion yen. The Japanese Government, however, owing largely to the position of the Finance Ministry, was leaning in mid-December to a total just under $140 billion yen (somewhat lower than the total under Shigemitsu's informal proposal of November 2), although no official proposal was presented until December 20. On that day, Shigemitsu told the Ambassador that $140 million yen was the total Japan could agree to, emphasizing that while component sums for the defense agency, facilities, and yen contribution were negotiable, the overall figure was not. Documentation is in Department of State, Central File 794.5.

In telegram 1407, December 20, Allison commented as follows: "I am not certain, however, that we could not obtain an increase of between two and three billion yen over this figure without adverse political repercussions, but I am convinced that a figure in the neighborhood of 142–143 billion yen as total defense budget is all we can get without violating Washington's instructions in Deptel 1034 that 'US should avoid pressing Japanese increase their military forces to prejudice political and economic stability'." (*Ibid.*, 794.5/12–2055)

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64. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, December 22, 1955—8 p.m.

1435. Joint FEC–Embassy message. Reference Embtel 1411.[2]

1. General Lemnitzer and I have discussed the implications of Japanese defense budget proposal for JFY 56 made by Foreign Minister Shigemitsu on 20 December.

2. I pointed out that the following factors are readily apparent from recent developments:

a. Only Kono's intervention in defense budget question is responsible for preventing both delay in making proposal to US and proposal below 140 billion yen. Kono overrode strong elements within Liberal-Democratic combine indifferent to progress in defense effort and to maintenance of cordial relations with US.

b. Confidence in US has been shaken as result of resolution UN membership issue.[3] Since last Thursday, Embassy officers have been repeatedly hit by charge of US failure to insure UN membership for Japan on part of well-informed Japanese concerned with maintenance of our partnership.

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[1] Source: Department of State, Central Files, 794.5/12–2255. Secret; Niact.

[2] Dated December 20, not printed. (*Ibid.*, 794.5/12–2055) It is summarized in the memorandum *infra*.

[3] For documentation on this question, see vol. XI, pp. 268 ff.

c. While the key leadership of Japan, Kono, Kishi, etc., is fully cognizant of essentiality of major defense force to resurgence of Japanese influence in Asia, it does not feel that current international situation necessitates any alteration of their timetable. In their view, which they have held to consistently over the past few years, consolidation of political power for the conservatives must precede a major defense build-up. The current defense effort, therefore, is to them only the framework upon which they hope to build future Japanese military power.

d. Should the US attempt to pressure the Japanese leadership to undertake a defense effort more ambitious that that which they consider feasible or necessary the present process of political consolidation will be shattered. We will in effect have placed in a difficult and embarrassing position—vis-à-vis the internal political enemies—the very men upon whom we depend over the long run to bring Japan to a position strong enough to counter-balance the Communist bloc. Furthermore, pressure on our part will obviously prejudice future relationships with Japan. If Japanese rearmament is not to be bought at the price of a break in the basic pattern of a US–Japan alliance, then it is doubly important to assure now against an undercurrent of antagonism and lack of confidence in US on part of some of Japan's current prospective conservative leadership.

3. General Lemnitzer points out that acceptance of the Japanese position will:

a. Condone the failure of the Japanese Government to meet the commitment agreed to in the August 1955 exchange of notes.

b. Provide support for the Japanese six-year plan (considered at best to be an inadequate effort) only if large portion of yen contribution is diverted from the US to JSDF.

c. Subordinate essential military requirements in favor of political considerations.

d. Mean failure to achieve the scale of increase this year in the defense effort which we consider militarily necessary. Instead the Japanese will make only slight improvements in their defense forces, a major portion of which will be made at the expense of the US.

4. General Lemnitzer and I agree that in the absence of an immediate military crisis, the principal stake is not the annual increase in the defense effort but where Japan ends up in the long run. In this sense, the achievement of an agreement largely along lines required by the Japanese will have advanced over-all US interests, particularly by contributing to the consolidation of conservative power, on which development hinges our prospects for encouraging Japan to make a proper defense effort in the future.

5. We, therefore, recommend that,

a. We be authorized to propose to the Japanese the position recommended in joint FEC–Embassy message (Embtel 1411, FEC C–75020) with further authority to abandon the condition established in subparagraph e(2) thereof,[4] i.e., Japan's recognition of US rights re movable property, should such condition be unacceptable.

b. If the above proposal is unacceptable to the Japanese, to seek Japanese agreement to general formula providing in JFY 56 a Defense Agency budget of yen 103.3 billion and a total defense budget of yen 142.7 billion with the division between facilities expenses and the yen contribution to be negotiated at our discretion.

6. Authority to proceed along the above lines is requested at an early date in order to complete negotiations as promptly as possible.

Allison

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[4] This subparagraph reads:

"Japan recognizes the right of USFJ to use and relocate, as required by USFJ, Japanese Government and privately owned movable property subject to right of USFJ as of April 27, 1952 without cost to USFJ regardless of location in Japan, the movable property to be returned to Japanese Government control when no longer required by USFJ."

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65. Memorandum From the Director of the Office of Northeast Asian Affairs (McClurkin) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, December 22, 1955.

SUBJECT

Japanese defense negotiations

1. The Embassy and the Far East Command have jointly recommended in telegram 1411 (Tab B)[2] a new United States proposal to Japan. Attached as Tab A is a telegram for your signature generally concurring in the recommendations of the Embassy and the Command.[3] Defense has concurred. Salient points are:

(a) Embassy–FEC recommend that we try to get Japanese agreement to total defense expenditures by Japan in JFY56 of 142.7 billion yen, including 103.3 for Japan's Defense Agency and 33.75 as Japan's contribution to our forces. The figure of 103.3 conforms with Japan's planned expenditure as set forth in the tentative Japanese six-year defense plan, which we hope the Japanese will carry out. The attached telegram[3] authorizes the Embassy and the Command to make this proposal to Japan.

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[1] Source: Department of State, Central Files, 794.5/12–2255. Secret.

[2] Dated December 20, not printed. (*Ibid.*, 794.5/12–2055)

[3] Sent as telegram 1319, December 22. Drafted in NA, cleared with the Department of Defense, and approved by Robertson, it is marked "State–Defense message" and "Pass FEC".

(b) The Embassy and the Command also recommend that we seek to obtain Japanese agreement on a general formula for increase of Japan's defense spending for subsequent years in accordance with the six year plan. The formula goes like this:

	JFY56	*JFY57*	*JFY58*	*JFY59*
DA*	103.3	125.	145.	170.
Contribution	33.75	22.9	12.9	0.4

*DA figures conform with Japanese six-year defense plan.

We have concurred in this recommendation.

(c) Defense wants the Japanese to be advised of the importance of an adequate Japanese defense effort and of the prospect that we can place OSP orders in Japan up to $20 million in USFY57 if Japan will make a better effort than 142.7 billion yen. This position has been approved in Defense by General Fox[4] in Mr. Gray's office and by the Assistant Comptroller.[5] This position is also set forth in the attached telegram to Tokyo, although I am uncertain of the advisability of giving specific figures where congressional action on the very delicate problem of foreign aid is involved.

(d) Because the Japanese Cabinet believes that Japan can not spend more than 140 billion yen for defense in the next fiscal year (Tokyo's 1407, Tab C)[6] and because of the need to help the conservatives in Japan achieve greater stability, I believe that we should be prepared to settle quickly at the figure of 140 billion yen if the Japanese do not accept the proposal of 142.7 billion yen. Defense is not happy at the prospect of going any lower than the figure last recommended by the Ambassador and General Lemnitzer. Defense however agreed to paragraph four of the attached telegram stating our willingness to consider going down to 140 billion yen if Tokyo reports that this is necessary to reach prompt agreement.

2. We have just received Tokyo's 1435[7] Niact asking for urgent approval of their recommendations given in Tab B. I believe that our outgoing telegram sufficiently covers the points contained in Tokyo's 1435 but we have not yet had a chance to consult with Defense. I have however added a paragraph to the outgoing telegram to the effect that we might think our message covers the points made in 1435.

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[4] Lieutenant General Alonzo P. Fox was Director of Foreign Military Affairs in the Office of the Assistant Secretary of Defense for International Security Affairs.

[5] Reference is uncertain.

[6] See Document 63.

[7] *Supra.*

Recommendation:

That you sign the attached Niact telegram to Tokyo.[8]

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[8] See footnote 3 above.

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66. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, December 27, 1955—8 p.m.

1460. Joint Embassy–FEC message. Pass Defense. Reference Embtels 1450,[2] 1461,[3] Deptel 1319.[4]

1. Afternoon December 24 Ambassador Allison saw Kono and Matsumoto and expressed his great disappointment in the Japanese proposal given us Saturday morning (Embtel 1450). He told them this would not make a good impression upon Washington and he therefore hoped Minister Kono would agree to obtain consideration for a different proposal. He mentioned his particular distress that Japanese proposal appeared to represent ultimatum rather than negotiating position. Kono assured him proposal was not ultimatum and that he had urged against presentation of position in belief that it was not within spirit of 140 billion yen figure given Ambassador by Shigemitsu previously.

2. Ambassador also expressed concern at reduction in JDA budget to 96.4 billion yen. Kono thought JDA budget of around 10 [*100?*] billion yen feasible but, [for] political reasons, total defense budget

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[1] Source: Department of State, Central Files, 794.5/12–2755. Secret; Niact.

[2] In telegram 1450, December 24, the Embassy reported it had that day presented to Japan the formula authorized in telegram 1319 to Tokyo, December 22; see the memorandum *supra*. Japan, however, had presented a formula comprising a Defense Agency appropriation of 96.4 billion yen, a yen contribution to U.S. forces of 31.575 billion yen, and facilities expenses of 12 billion yen, for a total of 139.975 billion yen. (Department of State, Central Files, 794.5/12–2455)

[3] In joint telegram 1461, marked "Pass Defense", the Embassy and the Far East Command described and assessed the effect of projected cuts in the Japanese Defense Agency budget. They commented in part:

"While JDA budget cut in part consistent with economics enforced on all Japanese agencies, cuts tend to retard force development to total capability much less than size of force implies. About additional 5 billion yen for JDA probably required to restore principal deficiencies created by cut budget to 96.4 billion yen as well as to provide for few new projects. However, overall budget of this magnitude would still have basic deficiencies of previous 103.3 billion yen budget and Japanese forces will continue live on austere basis." (*Ibid.*, 794.5/12–2755)

[4] See footnote 3, *supra*.

over 140.7 billion yen would be extremely difficult. He offered get Japanese agreement to 140.7 billion yen total budget divided as follows: JDA 100.2 billion yen, facilities 10.5 billion yen, contribution to US 30 billion yen. Allison told Kono he had no authority to agree to such proposal but would pass on his comment to Washington.

3. Kono further suggested strategy of US presenting proposal along above lines to Shigemitsu this week. When Shigemitsu referred our proposal to Cabinet, Kono would then enter discussion and insist on its acceptance.

4. Under circumstances, Ambassador believes proposal of 140.7 billion yen defense budget made by Kono represents our best hope for quick settlement defense budget negotiations free from undesirable political recriminations. Even proposal made by Kono will be unpopular with Finance Ministry and other elements who behind Japanese proposal made on Saturday morning. However, Kono's prestige and influence appear to be strong enough to overcome these elements in Japanese Government.

5. However, before accepting 140.7 billion yen defense budget, all possible effort should be made to convince Kono agree to both or either of steps with respect to facilities expenses outlined in para 3 b of Embtel 1462,[5] providing at best slight augmentation of 1.6 billion yen. (These steps developed out of subcommittee meeting held subsequent to Kono–Allison talk 24th.) This appears virtually only possibility for raising total actual defense expenditures above 140.7 billion yen and would result in total defense budget as follows: JDA 101.7 billion yen; Procurement Agency 9 billion yen; and yen contribution 30 billion yen with additional .7 billion yen carry-over for relocation program and .9 billion yen for road construction outside regular defense budget.

6. With respect to strategy proposed by Kono (para 3 above) Ambassador feels that Kono's willingness to support US position even to the very limited extent indicated by his figures is an important asset and that we should strengthen the position of those conservative leaders like Kono who willing to work with US. Therefore believe it desirable to follow strategy Kono has suggested—i.e., accepting his figures and making them the basis for a new US proposal.

7. General Lemnitzer states that the Kono figures are inadequate from the military point of view. He would much prefer to receive a proposal from Japanese rather than advance it as a US offer to the Japanese Government, particularly when it is so inadequate from the standpoint of accomplishing US military objectives. However, in view of information received in conversations between Ambassador Allison,

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[5] Apparently telegram 1461 is meant here; the "steps" referred to were U.S. proposals designed to yield .7 billion and .9 billion yen sums mentioned at the end of paragraph 5.

Ministers Shigemitsu and Kono and developments in committee meetings with the Japanese on this matter to date, General Lemnitzer accepts Ambassador Allison's evaluation of the political aspects of the situation and reluctantly concludes that there is no alternative other than for the US now to adopt the course of action proposed by Ambassador Allison and submit a counter-proposal along the lines indicated in para 8 below in response to the very unsatisfactory figures which the Japanese submitted during the committee meeting on 24 December and reported in Embtel 1450 and C–75065.[6]

8. We therefore request authority to reach agreement with Japanese on not less than 140.7 billion yen total defense budget for JFY–56, providing for minimum of 100.2 billion yen for JDA and 30 billion yen for contribution to USFJ, with further provision for progressive reduction of yen contribution in JFY–57 and subsequent years on basis of general formula substantially along lines set forth in Embtel 1411.[7]

Parsons

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[6] Not printed.

[7] Regarding telegram 1411, see Document 65. In telegram 1365 to Tokyo, December 29, the Department replied to telegram 1460 as follows: "You authorized negotiate agreement on basis paragraph 8 reference telegram. Defense considers 140.7 billion yen inadequate from military point of view, states it provides 3.1 billion less than minimum necessary fulfill six-year plan and falls short by 3.75 billion yen of meeting minimum required under Administrative Agreement and yen reduction formula. Defense recognizes political considerations may be overriding and interposes no objection our granting you authority reach agreement on basis paragraph 8 reference telegram." (Department of State, Central Files, 794.5/12–2755) A lengthier exposition of Department of Defense views is in a letter from Gordon Gray to Robertson, December 29. (*Ibid.*, 794.5/12–2955)

In telegram 1497 from Tokyo, December 30, Allison reported that the Japanese Cabinet had agreed that day to the 140.7 billion yen figure. (*Ibid.*, 794.5/12–3055)

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67. Memorandum of a Conversation, Department of State, Washington, January 13, 1956[1]

SUBJECT

Invitation to the Secretary to Visit Japan

PARTICIPANTS

Ambassador Iguchi, Japanese Embassy
The Secretary
Mr. William J. Sebald, Deputy Assistant Secretary, FE

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[1] Source: Department of State, Central Files, 110.11-DU/1-1356. Confidential. Drafted by Sebald.

The Secretary said that he was sorry to learn that Ambassador Iguchi was returning to Japan, a sentiment which the Ambassador reciprocated. The Ambassador said that he felt he could be useful in strengthening Japanese-American relations as he had spent six years before the war and six years after the war in, or directly concerned with, the United States.

The Ambassador extended the invitation of his Government to the Secretary to visit Japan on his return home from the SEATO Conference at Karachi.[2] The Secretary said that his schedule had not yet been made firm, but that he would like very much to visit Japan and hoped that this would be possible.[3] He said that should he be able to stop over in Japan, the time there would necessarily be very brief. He requested Ambassador Iguchi to convey his appreciation to the Japanese Government for the invitation and said that he should know definitely within two or three days whether a stopover would be possible.

Ambassador Iguchi briefly referred to the problems of the return of Japanese to the Bonin Islands, resumption of Japanese economic activities in the trust area, and the release of Japanese war criminals, and left a brief informal memorandum on these subjects.[4] He said that the Japanese Government had raised the first two problems with Admiral Radford, and understood that the Department would consult with other Government agencies in an endeavor to find a solution to these problems. Mr. Sebald confirmed that this was correct. The Secretary commented that these are difficult security problems, but that we would look into them with the other Departments concerned. In the case of war criminals, the Secretary thought that we had made considerable progress but pointed out that difficulties had arisen in connection with the release of German war criminals.

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[2] Held March 6–8.

[3] Dulles visited Japan March 18–19.

[4] Attached to the source text, but not printed. In the section on the Bonins, the memorandum stated the Japanese Government had recently requested the repatriation of 2,639 islanders whose return was particularly desired. If this was found difficult for military or security reasons, Japan desired, according to the memorandum, the repatriation of a smaller number on a trial basis in a manner that would not prejudice the security of U.S. forces in the area.

68. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, January 13, 1956—8 p.m.

1596. Reference: Embtel 1595.[2] As indicated in reference telegram, we have now reached impasse on problem of general formula. Three basic courses of action are open to us: (1) to accept formula proposed by Japanese; (2) to stipulate in notes that next year's negotiations start from $155 million as provided in administrative agreement; and (3) to agree that starting point for next year will be 30 billion yen, recognizing thereby that previous reductions in yen contribution are final.

Third alternative appears least desirable since it would provide concession desired by Japanese without parallel agreement on their part to matching principle which would assure that at least 50 percent of increase in defense agency budget will be borne by Japanese.

With respect first two alternatives, advantages and disadvantages need be carefully weighed. Principal reasons for accepting Japanese formula are those that motivated my initial support for general formula, namely desirability of placing US-Japanese defense relationships on smoother basis and avoiding danger of acrimonious annual negotiations implicit under current arrangement. In addition, from practical viewpoint, it will be increasingly difficult secure Japanese agreement in future years to yen contribution greater than previous year irrespective of provisions annual note. USFJ yen costs are declining and furthermore Japanese are fully cognizant of German efforts to eliminate entirely contribution to allied forces. Japanese agreement to matching principle also would in effect provide more favorable agreement than we have obtained in negotiations during past two years.

On other hand, I am reluctant to make another concession to Japanese since it is not absolutely required in terms of political stability despite desirability of formula arrangement from viewpoint overall US-Japanese relations. Furthermore, Japanese next year will probably be in stronger position politically and economically and therefore able to take pressure from us on defense matters without affecting political stability. Finally, US proposed formula is more consistent with last year's agreement than is Japanese formula—a point of importance to FEC.

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[1] Source: Department of State, Central Files, 794.5/1–1356. Secret; Priority; No Distribution Outside Department.

[2] In telegram 1595, January 13, the Embassy reported in part that the Japanese Government appeared to be so opposed to the U.S. version of a general formula for progressive annual reduction in the yen contribution to maintenance of U.S. forces in Japan that it was willing, rather than accept the U.S. proposal, to risk commencing negotiations the following year on the basis of the old $155 million figure. (*Ibid.*, 794.5/1–1356)

While I would be inclined on balance to go along with Japanese on their proposed general formula, I am not in position to secure General Lemnitzer's agreement to a joint recommendation along these lines. In securing previous joint recommendations, I have overruled his serious objections made on military grounds to the proposed concessions to the Japanese. I do not feel that I can again ask for concessions to the Japanese without endangering the goodwill existing between Embassy and Command. General Lemnitzer has previously gone along with our views on the grounds that these concessions were required to avoid an immediate threat to the political stability of the Japanese Government. Since the Japanese may be willing to delay or even forego agreement on a formula, it is difficult to justify to FEC a further concession on similar grounds.

Therefore, if the Department agrees that a general formula, if need be on Japanese terms, should be sought during current negotiations, it will have to come at its initiative and on basis of its assessment of overall situation, including developments in Germany on similar problem of local contributions.

Since foregoing was drafted I have learned from Suzuki of Finance Ministry that Japanese Government does consider general formula (theirs, not ours)[3] desirable and important and wants it as part of package deal. Matsumoto also phoned to say Cabinet this morning reached decisions which we should find satisfactory but what this means in regard to formula (as opposed to 100.2, 10.5, 30 breakdown)[4] I do not yet know.

Allison

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[3] Shigemitsu informed Allison of the latest Japanese proposal for a general formula on January 18: "Formula as proposed would call for reduction in yen contribution from contribution previous year by amount equal to one-half increase in expenses for defense purposes, i.e., net increase of JDAY and facility expenses. Formula proposed in Shigemitsu paper also calls for consideration of further reduction in case USFJ expenses 'greatly decreased' due to withdrawal or other factors. I believe Japanese would not insist on latter provision." (Telegram 1622 from Tokyo, January 18; *ibid.*, 794.5/1–1856)

[4] In telegram 1622, Allison also reported that Japan had agreed to this breakdown.

69. Memorandum From the Acting Director of the Office of Northeast Asian Affairs (Hemmendinger) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, January 21, 1956.

SUBJECT

Japanese Defense Negotiations

1. In a joint Embassy–FEC message, Ambassador Allison and General Lemnitzer have requested authority to accept a general formula proposed by the Japanese for progressive reduction in the yen contribution the Japanese make to the support of U.S. Forces in Japan (Tab B).[2] Under the formula, Japan will be permitted to subtract from its contribution to our forces for the previous year one-half of the amount by which it increases appropriations for its own forces and for facilities over that of the previous year. When applied, assuming appropriations for the Defense Agency and facilities as indicated, it results in the following (in billions of yen):

	Agreed for JFY56	*JFY57*	*JFY58*	*JFY59*
Defense Agency	100.2	125.*	145.*	170.*
Facilities	10.5	8.**	5.**	3.**
Contribution	30.	18.85(22.9)***	10.35(12.9)***	0

*Appropriations required to support six-year defense plan. (Government approval of plan still contingent upon legislation establishing National Defense Council.)

**Cost as estimated by Japanese.

***Contribution which would have resulted from formula proposed by U.S.

2. The Embassy and FEC state that acceptance of the Japanese formula would have the following advantages: (a) Reduce Japanese pressure for revision of the Administrative Agreement; (b) Retain matching principle which would provide inducement for continued increase in Defense Agency budget; (c) Would facilitate smoother working relationship with Japanese on defense matters. This arrange-

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[1] Source: Department of State, Central Files, 794.5/12–2255. Secret. Drafted in NA on January 20.

[2] Telegram 1649 from Tokyo, January 20, not found attached. (*Ibid.*, 794.5/1–2056) The Embassy–FEC recommendation was worded by Allison in telegram 1649 as follows: "On balance, General Lemnitzer and I believe that it would be preferable to accept Japanese formula without specific link to six year defense plan. We therefore request authority to accept general formula as proposed by Shigemitsu but without provision reported in Embtel 1622 calling for consideration of further reduction in case USFJ expenses greatly decreased." Regarding telegram 1622, see footnote 3, *supra*.

ment is also more favorable than that prescribed in the NSC policy for Japan, which simply says that we should seek to ensure that Japan applies to its own forces any amount by which its contribution to us is reduced.

3. The joint message lists the following as unfavorable considerations: (a) The adoption of the formula would result in future reductions in the yen contribution being from that of the previous year rather than from the full support contribution of $155 million (55.8 billion yen) as specified in the Administrative Agreement—It is our view that the abandonment of this unrealistic negotiating position, which has been adopted in the past without useful results, will do much to obviate the possibility of prolonged and acrimonious negotiations. (b) Should the Japanese seek reductions in addition to those provided for in the formula, our initial position will be weaker than if we had started with $155 million—We could counter the concession of agreeing to their proposed formula. (c) We might be in a somewhat less advantageous position to exert direct pressure on their Defense effort—The NSC paper provides that we should not press Japan to increase its military strength to the prejudice of political and economic stability.

4. We feel that agreement to the Japanese proposed formula would greatly reduce exacerbations in future defense negotiations and make a significant contribution to furthering our political objectives in Japan by indicating United States agreement to a planned phase-out of the Japanese contribution to our forces, which is viewed in Japan as the continuation of an Occupation-type relationship.

Recommendation:

That you sign the attached telegram to Tokyo authorizing the acceptance of the Japanese formula. (Tab A)[3]

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[3] Not found attached. Telegram 1533 to Tokyo, January 23, reads in part as follows: "Authorization granted accept general formula as proposed by Shigemitsu but without provision re further reduction in case USFJ expenses greatly decreased. Believe important in note exchange to clarify that formula refers to new funds appropriated each year." (Department of State, Central Files, 794.5/1-2056)

In a January 27 memorandum, Robertson asked Dulles to approve the draft notes which had by then been prepared. The Secretary initialed the approval line. (*Ibid.*, 611.94/1-2756) For text of the exchange of notes regarding reduction of Japanese expenditures under Article XXV 2(b) of the Administrative Agreement, effected at Tokyo on April 24, 1956, see TIAS 3555; 7 UST 761. For text of the exchange of notes regarding annual and progressive reduction of Japanese expenditures under the Administrative Agreement, effected at Tokyo one day later, see TIAS 3556; 7 UST 771. See also Document 75.

70. Memorandum of a Conversation, Tokyo, March 18, 1956[1]

PST/MC/9/2

PARTICIPANTS

Japanese

Mamoru Shigemitsu, Minister of Foreign Affairs
Hisato Ichimada, Minister of Finance
Ichiro Kono, Minister of Agriculture and Forestry
Naka Funada, Minister in Charge, National Defense Agency
Tanzan Ishibachi, Minister of International Trade and Industry
Tatsunosuke Takasaki, Minister in Charge, Economic Planning Board
Ryutaro Nemoto, Chief Cabinet Sec.
Takizo Matsumoto, Deputy Chief Cabinet Secretary
Nobuske Kishi, Sec-Gen'l, Liberal Democratic Party
Mitsujiro Ishii, Chairman Executive Board, Liberal-Democratic Party

Americans

Secretary Dulles
Mr. Robertson
Mr. Bowie
Mr. MacArthur
Mr. Berding

Ambassador Allison
Mr. Parsons
Mr. Lamb

General Lemnitzer
Maj. Gen. Biddle

SUBJECT

Changes in Soviet Policy, Situation in Southeast Asia, US–Japan Relations

Ambassador Allison opened the two and one-half hour discussion by suggesting that the Secretary might first outline his views on the overall situation, particularly in the light of his trip to Karachi and Southeast Asia.[2] Thereafter, the Secretary would welcome comments and questions from the Japanese leaders present.

The Secretary began by analyzing in some detail the changes in Soviet policy over the past ten months, the possible reasons for the changes, and their significance. Soviet policy in the ten years after World War II had been based on the belief that Soviet goals could be accomplished only by violence; when this policy failed, different policies had been adopted. The change was apparent in the field of foreign policy and was most recently evident in the doctrinal changes and in the rejection of Stalinism at the 20th Party Congress. Though one could not be certain as to the reasons for this drastic change of course, several things seemed evident:

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[1] Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Confidential. Drafted by Richard Lamb.

[2] The Secretary left Washington on March 2 and was in Karachi for the SEATO Council Meeting held March 6–8. For documentation on his participation in this meeting, see vol. XXI, pp. 181 ff. He also visited Vietnam, the Republic of China, and the Republic of Korea.

a. The change would not have taken place if things had been going well—successful policies are not usually changed;

b. Though we cannot be sure about the internal situation in the Soviet Union, there must have been important internal pressures helping to bring it about;

c. In the field of foreign policy the change must have been brought about in large part by the growth and strengthening of collective defense organizations among free nations, and the recognition that the Soviet could not attack one nation without risking involvement of the United States.

In the Secretary's view, however, the change was a tactical one; Soviet objectives remained the same. Soviet tactics now apparently were to infiltrate neighboring countries, utilizing the large supply of technicians and the industrial capabilities which the Soviets have built up, and thereby to accomplish indirectly what they could not accomplish by open assault.

Moreover, there was no assurance that the Soviets would not revert to their old policy of violence if the free nations weakened in their determination and failed to maintain their strength. The Secretary was aware that the Japanese were particularly sensitive on the issue of atomic and nuclear weapons, but it was essential that the United States never permit the Soviets to gain supremacy in this field; our continued supremacy in fact was the only real defense of the free world. The development of nuclear weapons had now reached the point where our goal was not to develop increased destructive power but to control their use and make them more precise as weapons in order to limit the damage in their use ever became necessary.

One of the primary purposes of the Secretary's trip had been to appraise the effect of the new Soviet policies in Southeast Asia. The Secretary had found in Southeast Asia a clear awareness of the danger of Soviet penetration and the risks involved in accepting Soviet aid. As a result of his trip, he had concluded that the Soviet economic penetration tactics were not likely to be successful, except in those cases where the Soviets were able to exploit emotions aroused over historical disputes, as had been the case with Egypt's acceptance of Soviet aid to strengthen her hand against Israel. In general, though there were dangerous elements in the situation, e.g., in the hostility between Pakistan and India, the Secretary had been pretty well satisfied that the nations he visited were aware of the Soviet danger and were strongly anti-Communist. On balance, the situation was better than he had thought before visiting the area.

Incidentally, the most striking change for the better he had noticed was in Viet Nam. A year ago the situation had appeared all but hopeless; however, President Diem had worked near miracles over the past year. Viet Nam problems were not all solved, but they now appear to be of manageable proportions.

The Foreign Minister asked what the Secretary's impression had been in Taiwan and the Republic of Korea.

The Secretary had found a greater degree of composure and confidence in Taiwan than was the case a year ago, when there was great nervousness that the offshore islands and Taiwan itself were about to be attacked. Of course, there was no certainty even now that attacks would not take place, but there was considerably more confidence in Taiwan, stemming of course in large part from the fact that the security of Taiwan was safeguarded through the Republic of China's mutual defense treaty with the United States.

In Korea the Secretary had noted that President Rhee, whom he had not seen for 2½ years, had aged perceptibly in the interval. The President had not been so vigorously and even violently argumentative as in the past—even concerning Japan. His sentiments probably had not changed; but he was not so strong in pressing his views. There would perhaps be problems when President Rhee left the center of the Korean political scene, but the Secretary believed that his successor would be likely to maintain the same close ties with the United States as at present. The Secretary hoped, however, that a successor regime would be less strongly anti-Japanese.

The Secretary then outlined some of the basic principles of United States policy in Asia. The Secretary recalled that our Atlantic policy, as demonstrated by our action in the two World Wars, had been to prevent hostile forces from gaining control of the far side of the Atlantic. We have now developed a Pacific policy which in essence was the same as our Atlantic policy: we sought to have friendly powers on the western shores of the Pacific. Our participation in the Korean war, in addition to our moral obligation under the U.N. Charter, had been in part motivated by this belief; the Secretary had feared that if the Communists were permitted to over-run the Korean peninsula, the situation might well have developed into another world war.

Communist China had not concealed her ambition to control the Korean peninsula, Formosa, the Philippines, Indo China, Indonesia. She thus challenged the basic policy of the United States; and so long as Communist China's hostile policy continued, the United States would not help her, economically or morally. Though the United States has been accused of being "unrealistic" for not recognizing the existence of Communist China, we recognized its existence all right; the question was whether we should extend recognition and admission to the United Nations and thereby strengthen her moral position. It was argued also that if we adopted a different policy, Communist China would become more friendly and amiable. We preferred, however, to have the Communists first demonstrate their friendliness. We simply could not take the risk—any more than we could have in the case of Hitler. Some argued also that it was inevitable that Communist

China, as a major continental power, should dominate peninsular and island countries on the continental periphery. History, however, taught us exactly the opposite, as in the case of Greece, Britain, and the European "peninsula" to the Asian land mass. In any event, we did not accept it as inevitable that Communist China would dominate the western Pacific, and we were determined to use our power to prevent such a thing from happening. Our mutual defense pacts with free nations in the area, including Japan, were indications of our determination in this regard.

Turning to another subject, the Secretary said he was aware how deeply Japan desired to be admitted to the United Nations. It was the Secretary's opinion that Japan would be likely to gain admission if the Japanese firmly expressed their indignation toward the Russians for excluding Japan and equating Japan with Outer Mongolia. The Soviets were most anxious to establish close relations with Japan; and if Japan's indignation were made clear to them, the Secretary did not feel that they would long block Japan's admission.

Minister Kono said that unfortunately the Japanese people did not react this way; they were used to having the Russians do strange, unreasonable things and could not seem to build up any resentment over such cases of Russian intransigence. Rather they tended in the case of the U.N. to put the blame on the Taiwan Government for Japan's exclusion. The same was true with regard to the Japan-Soviet negotiations; the Soviets' unreasonable behavior aroused little resentment among the Japanese.

The Secretary emphasized that Japan had been a great nation, which had played a great role in this part of the world. In the past Japan had demonstrated her superiority over the Russians and over China when that country acted alone. It was time for Japan to think again of being and acting like a Great Power, and not accepting these insults from the Soviets.

Chief Cabinet Secretary Nemoto said this was all very well in theory, but that in practice Japan was much too weak and helpless even in relation to ROK to do anything to protect her interests.

The Secretary said that ever since he had worked on the Peace Treaty in Japan in 1951 he had been greatly impressed by the ability of the Japanese people and their capabilities for exercising influence for good. One of the major purposes of the United States was to see Japan come back again as a Great Power in this part of the world. The Secretary looked forward to the day when the United States would not have to play such a large role here and Japan could resume her position of leadership.

Defense Agency Director Funada said that while Japan appreciated the generous peace treaty which had been negotiated under the Secretary's leadership, it was regrettable that the Occupation-enacted

Constitution had been permitted to remain in force, and the revision had been made so difficult. A large share of Japan's present troubles, especially in the area of defense, stemmed from the restrictions which the Constitution imposed.

The Secretary replied that, while he had not been in a position of responsibility when the Constitution was prepared and was not aware of the details of its formulation, he did realize that it constituted a serious legal and psychological impediment for Japan. When the Foreign Minister had visited Washington last summer, discussion had taken place concerning the possibility of substituting a mutual security treaty for the somewhat one-sided Security Treaty presently in force.[3] It had been apparent however that Japan was not prepared spiritually, nor did her Constitution permit her, to assume the equal responsibilities which a truly mutual security treaty involved. It was academic though at this stage to express regrets over the Constitution as formulated under the Occupation. In the long run, a nation's growth had never been impeded by the restrictions of a Constitution; the Constitution must adjust to the nation and its needs, rather than the nation to the Constitution.

Minister Kono referred to the Secretary's press statement on his arrival at Haneda Airport.[4] Unfortunately the Secretary's reference to Japan (. . . [5] "The United States is well aware of the importance and constructive contribution which Japan can make to sound political, economic and strategic developments in the Western Pacific and South Asia, and I shall seek the opinion of Japanese leaders on these matters and also touch on some of the matters which particularly concern our two countries.") had already aroused new suspicions, as in the case of the joint communiqué in Washington last year,[6] that Japan was being called on to send her troops abroad to fight. Mr. Kono said he was sure the Socialists would raise this matter in the Diet, and he wondered if the Secretary would permit a denial that any such implication was contained in the Secretary's statement.

It developed that there had been a misunderstanding in translation of the word "strategic"—the nearest Japanese equivalent for which has an exclusively military connotation. The Secretary explained that in his statement he had been thinking of "strategy" in its broader meaning—in the sense of planning and policy in all fields including economic matters. He had not meant to imply that in the military area Japan should assume any greater obligation than she now has, namely, to contribute increasingly to her own defense. The Secretary authorized the Japanese to make public clarification of this point, and it was agreed that after consulting with Ambassador Allison, Chief Cabinet Secretary Nemoto would make a statement to the press after the meeting ended.

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[3] See Document 45.

[4] Full text not found.

[5] Ellipsis in the source text.

[6] See Document 50.

Minister Kono recalled jokingly that when in Washington last summer he and his colleagues had promised that a conservative merger would be realized before they met the Secretary again. Well, they had done it. What would the Secretary like to have them promise now?

In reply the Secretary said only that the United States regarded the conservative merger as a very important achievement for Japan; if it had not been achieved, he felt there might have been a real danger that Japan would simply fall apart.

Turning to Japan-Soviet negotiations, Mr. Kono said that they were not going very well. From a variety of sources, including Domnitsky of the former Soviet Mission, it had been reported that the Soviets were seriously considering "drawing a line" on the high seas to exclude Japanese fishermen from North Pacific fishing areas; it had also been reported that because of Soviet naval maneuvers Japanese operations in the Sea of Okhotsk might not be permitted. These threats, Mr. Kono understood, were designed to "force" Japanese acceptance of Soviet terms in negotiating a peace treaty. If these threats were carried out, the effect on the Japanese fishing industry would be far more serious than that resulting from Korean enforcement of the Rhee Line.

The Secretary said he was not familiar with the details of Japan's negotiations with the Soviets. However, if there appeared to be a real possibility of the Soviets taking such action on the high seas, it might be well for Japan and the United States to sit down together, study the problem and see what could be done. The Secretary pointed out that the United States had experienced considerable difficulty with some Latin American nations over assertion of territorial sovereignty on the high seas, and that in this respect the interests of Japan and the United States largely coincided.

Foreign Minister Shigemitsu then suggested that some discussion should be devoted to Japan's pressing economic problem, made more urgent by the need to support Japan's large and expanding population. In the Foreign Minister's view the problem, particularly in Southeast Asia, could be effectively dealt with only through close cooperation with the United States.

Minister Ichimada said that one important means of countering the Communist threat was to raise the level of living conditions in Southeast Asia. The trouble was that Southeast Asia badly needed capital, without which there was a danger that Japan's reparations payments to the area might go to waste. In this connection, Mr. Ichimada had been most favorably impressed by Eric Johnston's proposals during his recent visit to Tokyo. The Finance Minister hoped to discuss the problems in detail later with Mr. Robertson; at this time he wished only to emphasize that the Southeast Asian area was of vital importance, and that it deserved a larger share of capital investment than it was receiving. He noted that of World Bank loans, only 12% was allotted to Southeast Asian areas.

Minister Takasaki pointed out that a reparations settlement had already been reached with Burma, and that agreements with the Philippines and Indonesia would be reached soon. This would mean that Japan would be sending into the area sixty to seventy million dollars in capital goods as reparations every year. However, these nations did not have sufficient capital of their own to utilize the reparations payments effectively; Mr. Takasaki noted that of the interim reparations shipped to these areas immediately after the war, the major portion had been allowed to go to waste. Capital in these countries was therefore badly needed. If Japan were to offer it, however, she would naturally be suspected of attempting to "infiltrate" and "dominate" the area. Similar suspicions toward Britain and the United States might develop in these countries which have so recently won their independence if either of these nations were to sponsor a unilateral investment program. The need in Mr. Takasaki's view was for a joint capital investment and loan program, in which all free nations with interest in the area would participate, thereby removing suspicion that any single nation was attempting to dominate the receiving nation.

Mr. Takasaki said further that there was an urgent need to develop Southeast Asia's export potentialities. As it was now, the area had little to export but rice. But if basic raw material industries were developed, e.g., iron ore mines in the Philippines, these nations would have something valuable to sell Japan, and would of course be able to greatly expand their purchase of Japanese goods in return.

The Secretary pointed out in the first place that by far the greater share of direct economic aid under the American aid program went to these areas, and that this more than balanced the fact that their share of World Bank loans was relatively limited. The Secretary was not familiar with Eric Johnston's proposals and could not comment on them. However, the idea of cooperation in this field appealed to him strongly, and in principle he believed it might be useful to study the possibility of coordinating United States economic assistance with the reparations program.

As the meeting ended, the Secretary said the talk today had been most informative and useful—more so in fact than any talk he had had in Japan since his work on the Japan Peace Treaty in 1951. Foreign

Minister Shigemitsu in return expressed his deep appreciation for the opportunity to speak frankly and exchange views with the Secretary.[7]

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[7] In Dulte 39 from Tokyo, March 19, marked "Eyes only Acting Secretary from Secretary for President," Dulles summarized this conversation briefly and commented: "It was the best talk I have ever had with Japanese leaders, and it gave the impression first that they are beginning to feel that we can be treated as real partners and secondly that they are beginning to try to find a place for Japan in the postwar scheme of things." (Department of State, Central Files, 110.11-DU/3-1956)

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71. Memorandum of a Conversation, Tokyo, March 19, 1956[1]

PST/MC/9/1

PARTICIPANTS

The Secretary	Prime Minister Ichiro Hatoyama
Assistant Secretary Robertson	Deputy Prime Minister Mamoru Shigemitsu
Ambassador Allison	Minister of Agriculture and Forestry Ichiro Kono
William Sherman, Second Secretary of Embassy	Nobusuke Kishi, Secretary General Liberal Democratic Party
	Bukichi Miki, Member, Proxy Committee Liberal Democratic Party
	Tsuruhei Matsuno, Member, Proxy Committee Liberal Democratic Party
	Chief Cabinet Secretary Ryutaro Nemoto
	Deputy Chief Cabinet Secretary Frank Takizo Matsumoto

SUBJECT

General Discussion

The Secretary asked whether the Prime Minister had any particular matters which he wished to bring up. Mr. Hatoyama replied that he had nothing in particular which he wished to raise but that he would like to discuss a few matters involving basic principles. He recalled that former British Prime Minister Churchill had delivered a speech at Blackpool[2] at which he had made the point that peace had been maintained through strength, and that the present peaceful condition of the world was primarily due to the fact that the United States had sufficient strength to counter the Soviet Union. Churchill had pointed out that if the Soviet had possessed a preponderant degree of strength England would have been invaded long ago. The Prime Minister said that he had always believed in and followed this policy. He asked the Secretary whether he was right in so doing. He added that he hoped that the United States would continue to maintain her strength and asked whether his hopes were justified.

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[1] Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Confidential. Drafted by Sherman.

[2] Reference is to the speech delivered at the close of the Conservative Party Conference in Blackpool, England, October 9, 1954.

The Secretary responded that the Prime Minister was right in both respects. He noted that Admiral Mahan had said that the role of force was to give moral institutions an opportunity to take root and grow. United States power acted as an umbrella over the Free World and provided an opportunity for free institutions to become strong. With regard to the degree of strength which the United States now possessed in relation to that held by the Soviet Union, the Secretary said that he did not know the exact figures and could not say. However he noted that the United States had recently offered to make available 40,000 kilograms of fissionable material for use by friendly countries in developing peaceful atomic research. He said that this had come as a big surprise to many who had no idea that United States resources in this respect were on so large a scale. In any event they were many times that of the Soviet Union, and, together with the striking power provided by our numerous bases throughout the world, made our retaliatory power so great that it would be madness for the Soviet Union to challenge it by aggression. The Secretary said that it seems apparent that this power has created a genuine deterrent to war and has thus effectively limited the Soviet Union to such indirect action as attempting to create trouble between non-communist nations such as Israel and Egypt or Pakistan and India. The Secretary advised the Prime Minister to be confident that so long as the United States and Japan are allies, Japan will be protected by the greatest possible strength and that the United States is determined to preserve its power.

The Prime Minister said that when he had spoken recently with William Randolph Hearst, Jr., Hearst had asked him what Japan wished from the United States. The Prime Minister had replied that he wanted first for the United States to protect Japan from Soviet aggression, and second, for the United States to have faith in Japan—that Japan was a solid member of the Free World and would continue to be.

The Secretary recalled his speech of May, 1951 delivered before the America-Japan Society[3] in which he had discussed the whole

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[3] Dulles was not in Japan in May 1951. On February 2, 1951, in his address "Peace May Be Won," delivered before the America-Japan Society in Tokyo, Dulles discussed the security relationship between the two countries. For text, see Department of State *Bulletin*, February 12, 1951, p. 252. On April 23, 1951, also in Tokyo, Dulles addressed

Continued

subject of the U.S.-Japan security relationship and said that the policy which he had expressed then still stands.

The Prime Minister said that Japan was vitally interested in developing close relations with the nations of Southeast Asia and also in promoting close relations among those nations themselves. He pointed out that Japan was, at considerable sacrifice, endeavoring to pay reparations to all these countries. However, Japan was most interested in making sure that these reparations were put to effective use. Some sort of development organization, financed by the United States, which would enable these underdeveloped countries to put these funds to use was necessary. The Prime Minister hoped that the United States would give favorable consideration to this plan.

The Secretary replied that he shared the Prime Minister's view and agreed that Japan could not really afford to pay reparations unless their effect would be to create economic prosperity. Reparations could not be sterile—it would be a waste which Japan could not afford. The Secretary assured the Prime Minister that he would have his experts study the problem from this standpoint. He pointed out that he himself was not an expert but that he certainly believed the principle to be sound.

The Prime Minister then said he had great hopes for a betterment of Korean-Japanese relations and asked that the United States do what it could to see this problem settled.

The Secretary replied that the United States too was anxious to see an end to the difficulties between Japan and Korea but said that we face a difficult but temporary problem in the fanaticism exhibited by President Rhee. He said that he characterized the problem as temporary because no one lives forever and even President Rhee is no exception.

The Prime Minister rejoined that Japan has exhibited a great deal of patience with the Korean problem and will continue to be as forbearing as possible. However, the issues involved were becoming sensational ones. The people who fish from the western coasts of Japan are being adversely affected and becoming more and more angry. He mentioned that the Korean patrols do not seem to bother old vessels operating within the Rhee Line but make it a point to seize all the new vessels in good condition. [*1 sentence (1½ lines of source text) not declassified*]

The Secretary replied that the United States too has had its problems with President Rhee and that we recognize his fanatic and frequently irrational attitude. At the same time it had to be admitted that

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the United Nations Association of Japan on the topic "Peace Without Fear." This speech, too, contained consideration of the security relationship. Text is *ibid.*, May 7, 1951, p. 726.

Rhee is a dedicated man who has contributed a great deal to the checking of communist expansion in this area and whose country has sacrificed much. In some ways his actions have operated to the direct advantage of both Japan and the United States.

The Prime Minister said that he wished to bring up a problem which might seem small in relation to the big ones under discussion. He referred to the natives of the Bonin islands who are still in Japan and prevented from returning to their homes. He asked that the Secretary bear this problem in mind and give some consideration to finding a solution.

The Secretary replied that he had studied the problem and that at first he had been inclined to believe that the islanders should be allowed to return. However, the more he studied the problem the less confident he became. In the first place it was apparent that the islands could not sustain much population. Secondly, he did not want to create a situation which might become similar to that which Cyprus has become for Great Britain. The islands have a strategic value for the United States and the Free World. It was quite possible that after the islanders had been returned they would want more and more. The problem would not be solved merely by sending the residents back even though the immediate difficulty might be temporarily calmed. It was necessary to view the problem on a long range basis—not as something which could be settled by the simple expedient of allowing the islanders to go home. In the long run he believed that letting the Bonin islanders return might do more harm to Japanese-American relations than good.

The Prime Minister said that he did not wish to fill the Secretary with details which he did not want to hear and that he had been keeping the Embassy informed of developments, but that if the Secretary had any questions which he would like to ask concerning the current Japan-Soviet negotiations or Japan's policy toward Communist China, he would be happy to answer them.

The Secretary mentioned that he had discussed Japan's negotiations with the Soviet Union at some length on the preceding day when he met with various Japanese leaders. He had pointed out at that time that Japan had a greater capacity to obtain results from the Soviet than she realized. He believed that the Soviet Union wanted to obtain a treaty and wanted Japanese friendship, and he believed that the weapon of public opinion could be used more effectively than it had been so far. In the first place there was the question of the return of Japanese prisoners from the Soviet Union. The Russians had agreed to return these people over eleven years ago. The Secretary recalled that he had attended the meeting of the Council of Foreign Ministers in 1945 just after the surrender terms had been agreed to by the Japanese

Government.[4] The then Secretary of State Byrnes had raised the question of the Japanese prisoners who, according to the surrender terms, were to be returned to lead peaceful lives after Japan had been disarmed. Foreign Minister Molotov had then said, jokingly but revealingly, that the clause had been inserted in the surrender terms merely in order to induce the Japanese to surrender. Secretary Dulles said that it was foolish to make new agreements before old ones had been carried out. So long as the Soviets can use the same bargaining counter over and over again—sell the same horse twice—they will do so. The Secretary believed that there could and should be much greater moral indignation at such perfidy. In the second place, the Secretary believed that it had been a most insulting thing for the Soviet Union to equate Japan with Outer Mongolia—a country which was not really a country at all, and certainly not to be compared with Japan. He believed that if public opinion were to rise up on this issue the Soviets would give in. The Austrian peace treaty was finally achieved by just such patient use of public opinion—year after year reminding the world from every forum available that the Soviet Union had agreed at the conclusion of the war to give Austria back her independence. Finally they had given in because they felt the effect of world opinion. If Japan would do the same thing she would get results.

The Prime Minister asked whether all Austrian prisoners had been returned and whether Austrian figures on the number of prisoners held had agreed with those provided by the Soviet.

The Secretary said that, as far as he knew, there was no problem or dispute over Austrian prisoners. However, the situation in Germany was a different one. There the Russians were still refusing to return or make final accounting for numerous prisoners. They were trying to sell the same horse three or four times!

The Secretary said that he would be happy to hear the views of the Japanese Government on the current Japan-Soviet negotiations but that he was not familiar with the details.

The Prime Minister regretted that in Japan it had been impossible to whip up Japanese public opinion in the same way that the United States had been able to do in the case of the fifteen fliers held by the Communist Chinese. In spite of the fact that a great deal more than fifteen had been held by the Russians the people had not been so worked up.

The Secretary said that it was because of the pressure of United States public opinion that we had been able to secure the return of the fliers. There were however still thirteen civilians held by the Chinese whom we insisted on having returned.

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[4] For documentation on the First Session of the Council of Foreign Ministers, held in London September 11–October 2, 1945, see *Foreign Relations*, 1945, vol. II, pp. 99 ff.

The Secretary then said that on the subject of China he had also had a profitable discussion the previous day with various Japanese leaders. He did not wish to go into details but did wish to state basic United States policy on this question. This was to ensure that the powers of the Western Pacific (including Japan, Korea, Taiwan, the Philippines, Southeast Asia, New Zealand and Australia) remained friendly to us and are internally and internationally strong enough to maintain their independence against Communist Chinese expansion. So long as China remains hostile to the Free World we oppose any action which may tend to strengthen her morally or materially. This does not mean that we do not accept the fact that the Chinese Communist regime exists. It does and we have negotiated with it in the past. At the same time we are opposed to anything which will build up its prestige and power so long as we feel that that power will be used against us, or our friends in the West Pacific. We believe that this policy coincides with Japanese interests. We would however welcome free, intimate and continuous exchanges of opinion with the Japanese government on this matter. Our basic purposes are the same. Japan has had greater experience than we in dealing with the Chinese and we would be most happy to cooperate in determining the best policy with which to cope with China.

The Secretary mentioned that trade was also important. He had noticed a growth of trade between Japan and mainland China in terms of commodities which were desirable to Japan and which did not involve the strategic strengthening of China. We realize that this sort of trade may be necessary and have therefore from time to time agreed to review our lists of commodities banned from export to China, in the hope of helping our friends. However, we do not think it is advisable for China to receive commodities which will create greater strength for her.

The Prime Minister hoped that the Secretary would continue this policy of review. At the same time he said that Japan had no desire to export strategic material to the Communists. He asked that the Secretary have faith in Japan and trust her. Japan was not going to become Communist. She was a firm member of the Free World.

The Secretary said that it was extremely gratifying to hear so forthright a statement and that he was completely confident that Japan would remain with the Free World.

The Prime Minister recalled that at the time he founded the Liberal Party his very first statement had been that he was anti-Communist. For this he had been purged. However, his attitude had not changed and was not likely to in the future.

Mr. Miki then said that he had listened with great interest and appreciation to the Secretary's remarks and wished to endorse what the Prime Minister had said about having faith in Japan. He wanted to add however that it was not just faith alone, it was more than that. He wanted the United States to rest assured that Japan was on its side and have no worries. He reemphasized that Japan was anti-Communist and was aware that it must be strong. He said that the conservatives had been able to merge themselves from a number of warring factions into a strong party. They would revise the election laws and they would eventually carry out revision of the Constitution. He was grateful for the aid which the United States has given Japan so far and asked that it be continued even more in the future.

The Secretary replied that everything which he had done or said in the past six years had shown his confidence in Japan. He was completely assured that that confidence was justified. He said that he realized that certain matters created difficulties from time to time but that these were relatively minor viewed against the background of not only words but deeds as well. The United States had made both a material and a moral investment in Japan. The Secretary mentioned the great effort which had gone into ensuring the passage of the Reciprocal Trade Agreements Act last year which had paved the way for Japanese membership in GATT. It was one of the most difficult things that had been accomplished and had succeeded in passing the House of Representatives by only one vote. He realized that United States trade policy was not perfect but recalled that he had talked with the British Ambassador a few weeks ago when the Ambassador had complained about United States discrimination over British bicycle imports. At that time he had said to the British Ambassador that a pretty girl with a spot of dirt on her face attracted a lot of attention and unfavorable comment whereas a coal miner whose face is covered with dirt did not. United States trade policy was like the pretty girl—its weak points were noticed a great deal.

Mr. Miki then said that he wished to add one more thing. He said that the Japanese leaders understood why the United States had to do the things which it did. However, the Japanese people did not always understand. On such problems as the Japanese-Korean dispute they blamed the United States for not taking a firmer stand with Korea and for furnishing her with the weapons with which to attack Japanese fishing. On the question of the return of the Bonin islanders the people viewed the United States attitude as a heartless one. This unfavorable attitude on the part of the people could not help but exert an influence on national policy and might result in the creation of a great deal of grass roots anti-American feeling. The Japanese have a saying that even a mountain can be undermined and crumble because of ant holes. Mr. Miki said that the Japanese leaders would do their best to cooperate, but that he hoped that the Secretary would also try to find amicable solutions to some of these small problems.

The Secretary said that he appreciated Mr. Miki's point of view and agreed that our two countries must work closely in an effort to solve problems such as this. At the same time, he added that he believed that Japanese leaders themselves could do more to help in educating their public to the basic principles involved.

Mr. Kono said that he wished to raise one final point. He asked that the Secretary try to arrange for the UN or some other international agency to take up and discuss the problem of Japanese immigration. He hoped that various nations of the world could be induced to accept Japanese immigrants and assist in the relief of the problem of overpopulation.

The Secretary agreed to look into the matter.

The meeting was concluded at approximately 12:00 noon.

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72. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, April 3, 1956—5 p.m.

2333. Embassy informed through Naval Attaché[2] that former Bonin resident Arthur Ackerman (Asao Akaman) and family of six have been authorized by US Navy to return to islands for permanent residence. Ackermans, first returnees since initial post-war repatriates, will travel from Yokosuka by naval vessel, leaving around April 10.

Story of Ackerman return has already received considerable attention Japanese press. Stories note Ackermans "of American descent"; league of former residents (Japanese) also reportedly at loss to understand why Ackermans rather than others being permitted to return, since family returned to live in Japan much earlier than others and left no land or other property in Bonins. Foreign Office has informally raised subject, indicated that "racial" factors make Ackerman repatriation hard to explain.

Navy is apparently approving Ackerman repatriation because of (a) American descent; (b) return requested by present residents (Embassy officer who visited Chichi-Jima in January recalls that islanders spoke highly of Ackerman, indicated they wanted him and family back. I can see absolutely no justification for this kind of discriminatory treatment, apparently based on Eurasian background of Ackermans and wishes of present island inhabitants. Such action obviously arouses resentment here, and makes our delicate position on Bonin repatriation issue even more difficult to defend. Moreover timing could not be worse in view vigorous effort Diet member Fukuda and others magnify issue which was one of two singled out by ex-Ambassador Iguchi[3] for specific mention in widely publicized speech before America-Japan Society March 30 (war criminals was other).

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[1] Source: Department of State, Central Files, 294.94C22/4–356. Confidential; Priority.

[2] Captain William C. Norvell.

If feasible, suggest Department may wish to take immediate steps to defer repatriation Ackermans pending consultation with Navy and thorough investigation of case.[4]

Allison

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[3] Masayuki Tani presented his credentials as Japanese Ambassador to the United States on March 2, succeeding Sadao Iguchi.

[4] Telegram 2196 to Tokyo, April 4, in reply, reads as follows: "All commands and Naval Attaché notified through other channels cancellation any existing authority repatriate former Bonin Islanders." The following sentence was on the clearance line: "Information from Admiral Riley, Office of CNO. (Department of State, Central Files, 294.94C22/4-356)

In telegram 2372, April 6, Allison reported that the instruction to cancel the Ackermans' repatriation had come from the Office of the CNO, that the prior approval of the repatriation had been based largely on the recommendation of the naval commander in the Bonins, and that in view of recently received information, the Embassy believed that the Ackermans' claim to repatriation was even more tenuous than previously indicated. "I wish to point out that Embassy was not consulted in advance on this decision [to repatriate the Ackermans] made despite obvious political sensitivity of Bonin issue in Japan and I will not take responsibility for entirely avoidable embarrassment which has evidently resulted." (*Ibid.*, 294.94C22/4-656)

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73. Memorandum From the Acting Director of the Office of Northeast Asian Affairs (Hemmendinger) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, April 19, 1956.

SUBJECT

United States Ground Forces and Long-Term Base Rights in Japan

1. Attached for your information are the minutes of a recent Embassy-FEC Consultative Group meeting[2] at which General

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[1] Source: Department of State, Central Files, 794.5-MSP/4-456. Secret.

[2] Not found.

Lemnitzer discussed United States Ground Forces in the FEC and Mr. Parsons commented on long-term United States base rights in Japan.

2. General Lemnitzer stated that by June 30, 1956, United States Ground Forces in Japan will be reduced to one division (the 1st Cavalry Division), understrength at about 10,000, together with logistical support forces of about 33,000. Two full strength divisions will be stationed in Korea and approximately 7,000 Army combat support and service troops will be stationed in Okinawa, together with elements of the 3rd Marine Division which will assume the security mission in Okinawa. Army forces in the FEC after June 30, 1956 will thus number 95,000: 55,000 combat and combat support troops and 40,000 service troops. Very little change is contemplated for the Air Force and Navy in the FEC and it is expected that the strength of each of the three Services in the Far East as of June 30, 1956 will remain at about that level for some time.

3. The large number of service troops in Japan operate a vital logistical base which supports all United States forces in Japan, Okinawa and Korea as well as the Japanese Self-Defense Forces and the 21 ROK divisions. This logistical base furthermore provides MDAP support to Chinese Nationalist Forces and other MDAP programs in Southeast Asia. Okinawa cannot replace the logistical base in Japan since it lacks the vital industrial base and the tremendous depots existing in Japan. The Japanese Self-Defense Forces do not have their own logistical facilities, nor will they be provided under the Six-Year Plan, and could only operate for about a week in an emergency without the logistical base provided by United States forces.

4. In summary, General Lemnitzer stressed his opinion that by June 30, 1956, United States ground forces in Japan will be cut to an irreducible minimum and no further reduction can be made in these forces until it is decided to withdraw all United Stated armed forces from Japan. Any further reduction of Army forces will require reducing the support provided the other United States Services in the Far East and making comparable reductions in the vital logistical base which serves and supports many United States and other Free World Forces in the Far East.

5. In his discussions of long-term United States base rights in Japan, Mr. Parsons pointed out a number of Japanese attitudes that must be taken into account: Unlike the United Kingdom, for example, the Japanese people are not wholly convinced that in any world crisis their basic interests are with the United States; the Japanese are anxious to be independent—of the United States and everybody else; the Japanese tend to look upon present United States base rights as being solely for the defense of Japan; they are disposed to equate the buildup of Japanese forces with the reduction of United States forces; and the

force goals in the Six Year Plan, in Japanese eyes at least and despite their inadequacies, have been developed with the idea that United States forces might be removed after these goals are accomplished.

6. The Japanese are not formally allied with the United States except by the terms of the Security Treaty, which the Japanese consider to be transitional in nature and a pact which they could not negotiate with complete freedom at the time it was signed. The question of long-term base rights seems to be completely unsettled and pressure to force us out may build up. Under these circumstances, although not a matter for immediate action, it is important to face two problems: (1) What the long-term United States base requirements are; and (2) by what strategy they can be secured.

7. In an ensuing discussion, General Rogers agreed that the Embassy and FEC should consult on this matter and attempt to reach a course of future action. It was agreed that the question of long-term base rights must be included in any future mutual defense treaty negotiations to replace the present Security Treaty. Mr. Parsons remarked that in any discussions of this problem, the Embassy would like to concentrate on the question of Japanese attitudes and steps that might be taken to improve such attitudes.

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74. Minutes of the Cabinet Meeting, White House, Washington, April 20, 1956, 9–11:20 a.m.[1]

[Here follow a list of attendees and discussion of unrelated matters.]

Discrimination Against Japanese Textiles—Sec. Dulles called attention to the efforts in South Carolina and Alabama to discriminate against Japanese textiles. He characterized this as violating our trade treaties and establishing a dangerous trend toward individual State control of trade regulations—a clearly unconstitutional activity. The President questioned what might be done in addition to the case pending before the Supreme Court. Sec. Dulles noted his approach to a State Governor in one instance and his receipt of an unsympathetic response.

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[1] Source: Eisenhower Library, Whitman File, Cabinet Meetings. Confidential. Drafted by L. Arthur Minnich.

Sec. Benson wondered if racial antagonism contributed to the situation. Mr. Dulles believed not. Sec. Wilson noted the fundamental need that every nation has for trading opportunities.

Mr. Weeks believed the storm would blow over without great difficulty; Mr. Benson thought the situation aggravated by the unwise cotton policy of the past whereby rigid supports had priced the South out of the international market.

Sec. Mitchell suggested the matter be discussed at the forthcoming Governors Conference. Gen. Persons felt this possibility might be pursued further through appropriate discussions prior to the Conference, otherwise some State patriots might use the Conference as a forum.

[Here follows discussion of unrelated matters.]

LAM

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75. Editorial Note

On April 25, Ambassador Allison received a confidential note from Foreign Minister Shigemitsu regarding Japanese defense spending. The note [*20 lines of source text*] was not declassified.

In the Embassy's confidential Note No. 1690, also April 25, the Ambassador confirmed the understanding in the Japanese note, thereby effecting an exchange of confidential notes. (Enclosures 2 and 3 to despatch 979 from Tokyo, April 30; Department of State, Central Files)

Regarding notes exchanged April 24, see footnote 3, Document 69.

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76. Editorial Note

At the 282d meeting of the National Security Council, April 26, the Council discussed the question of multilateral export controls on trade with the People's Republic of China. Some of the discussion was devoted to trade between the People's Republic of China and Japan:

"Mr. Dodge expressed the feeling that the long list of exceptions showed indication of the impending disintegration of the multilateral controls system, particularly as it related to controls on trade with Communist China. In response to this statement, the President expressed great sympathy for the plight of Japan, which he felt was either obliged to trade with Communist China or 'pass a tin cup around in San Francisco.' Mr. Dodge discussed this matter briefly, and expressed the opinion that the removal of controls on trade between Japan and Communist China would by nc means provide a complete answer to Japan's trade and economic problems. The President expressed agreement to the extent of stating that Japan's problems had to be settled in bites, and not all at once.

"Secretary Wilson felt that there were two points which needed emphasis on trade between Japan and China. China had obvious need of certain manufactured articles produced in Japan. Japan in turn needed certain raw materials from China. Perhaps the two countries could get together and work it out; but from a psychological point of view, as long as the Japanese feel that the United States has them under wraps, they won't like it. Perhaps the best thing was for us to allow the Japanese to make the effort to increase their trade with Communist China and see for themselves that this was not the real answer to all their problems." (Memorandum of discussion by Gleason, April 27; Eisenhower Library, Whitman File, NSC Records)

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77. Memorandum of a Conversation, Secretary Dulles' Residence, Washington, May 19, 1956[1]

SUBJECT

Conversation of Japanese Agricultural Minister Kono with the Secretary of State

PARTICIPANTS

Mr. Ichiro Kono, Japanese Minister of Agriculture and Forestry
Ambassador Masayuki Tani, Embassy of Japan
Minister Shigenobu Shima, Embassy of Japan
Mr. John Foster Dulles, Secretary of State
Mr. Walter S. Robertson, Assistant Secretary, Far Eastern Affairs
Mr. William J. Sebald, Deputy Assistant Secretary, Far Eastern Affairs
Mr. James V. Martin, Jr., Officer in Charge, Japanese Affairs

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[1] Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Confidential. Drafted by Martin on May 24.

Earlier on May 19, Kono met with Murphy, Robertson, and other Department officers for more detailed discussion of the Japan-Soviet fisheries negotiations. (Memorandum of conversation by Hemmendinger and Warren Looney; Department of State, Central Files, 661.946/5–1956)

The Secretary received the Japanese representatives at his home and heard from Mr. Kono the results of his negotiations with the Soviets in Moscow[2] and his impressions of the new political relationship between Japan and the Soviet Union. The meeting lasted for an hour and twenty minutes.

Mr. Kono said that negotiating with the Russians had been rather exhausting but that it had not been bad while he was negotiating with the Minister of Fisheries, Ishkov.[3] Later, however, the head of the Treaty Division and the head of the Far Eastern Division of the Soviet Foreign Office entered the discussions and tried to deny to the Japanese what Bulganin had promised them. The Soviet argument as put forth by Premier Bulganin, said Mr. Kono, was that Russia, which was defeated in 1905 by Japan and again defeated by Germany in World War I, was determined to reap the spoils of victory from World War II and Japan would have to give up what it had taken in 1905. The Secretary interposed the remark that the United States had had something to do with Soviet victory over the Japanese in World War II and that the Soviets had in fact not entered the war until the week in which the Japanese surrendered. Kono said that his own response to Bulganin's blunt argument was that if this was the only treatment which the Japanese were to receive, there was nothing to do but go home; and it was at this point that Bulganin had agreed to an interim fisheries arrangement.

Mr. Kono showed on a map where the interim fisheries agreement area was and the abstention line of the Tripartite Agreement,[4] namely, 175° W. longitude, which had been drawn when the Tripartite Agreement was negotiated in Tokyo in 1951, on the assumption that it divided the eastern salmon stock from the western salmon stock and it could be changed only after agreement among the three parties following a 5-year trial. Last fall at the Tripartite meeting at Tokyo, however, the Japanese had promised that they would not increase their take this year near the line. Nevertheless, as a result of the Moscow negotiations the Japanese felt compelled to move two groups from the Okhotsk Sea to the zone east of Kamchatka. Mr. Robertson pointed out that the American fishermen might object if their salmon catch should be reduced as a result of increased Japanese salmon catch to the westward of the line. Mr. Kono said that he really was not worried about the fisheries problem between the United States and Japan because in any case Japan must reduce its catch compared with last year.

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[2] Soviet-Japanese negotiations, which had been suspended after September 13, 1955, resumed in London on January 17, only to be broken off, at Soviet insistence, on March 20. On March 21, the Soviet Union announced certain restrictions on Japanese salmon fishing. In March and April 1956, the Department was preparing, after consultation with the Japanese, to issue a statement denouncing these restrictions as contrary to international law, when, on April 9, the Soviets agreed to a Japanese request to negotiate the salmon question. Japan then asked the United States not to issue the statement, and the United States agreed. After negotiations held in Moscow, at which Minister Kono led the Japanese Delegation, Japan and the Soviet Union signed on May 14 a sea rescue agreement and an interim fisheries agreement, to take effect either simultaneously with a peace treaty or when diplomatic relations should be established. Also on May 14, the two countries announced that negotiations on normalization of relations were to recommence no later than July 31. Documentation is *ibid.*, Central File 661.946.

[3] A.A. Ishkov.

[4] Reference is to the International Convention for the High Seas Fisheries of the North Pacific Ocean, with Annex and Protocol, signed by Canada, the United States, and Japan at Tokyo on May 9, 1952. For text, see TIAS 2786; 4 UST 380.

Mr. Kono, proceeding to the political subject of Japanese-American relations in the light of the developing relationships between Japan and the Soviet Union, asked for the Secretary's remarks. The Secretary said that while there was little he could add to what he had said on this subject in Tokyo last March, the United States intended to do everything possible to improve those relations. While there were some problems, especially in the economic field, and the exercise of tolerance was necessary, he saw no serious obstacle to good relations. Mr. Kono stated that Bulganin had suggested the resumption of Japanese-Soviet relations on the Adenauer formula[5] and that this course of action appeared inevitable to the Japanese. However, it was his earnest wish to strengthen the solidarity between Japan and the United States. The Secretary asked what compensation or advantage Japan would get in return for the resumption of diplomatic relations with the Soviet Union. Mr. Kono named three advantages: the repatriation of Japanese detainees, permission to fish in the northern waters, and the Soviet pledge to support Japan's entry into the United Nations. The Secretary said that the USSR had made a token repatriation of West German prisoners upon resuming relations with that state but that repatriation had not been very successful thereafter. Mr. Kono observed that the official Soviet figure for West German detainees was 12,000 and that they had in fact repatriated this number, although the West Germans claimed an additional 100,000. In the case of Japan, he said, the USSR admits holding 1200 detainees. The Japanese estimate of an additional 10,000 is inaccurate, in Kono's estimation. The Secretary remarked that if the number of Japanese detainees was only 1200, there should be no great problem, and Mr. Kono agreed to this saying that the further detention of these people would be of no advantage to the Soviets. With regard to entering the United Nations, Mr. Kono said UN status would be very important for Japan in that even fisheries problems could be brought up there. The Secretary observed that if the Japanese did not gain UN entry now, they would have to pay a further heavy price for that advantage. Mr. Kono said that there would be no exchange of ambassadors without Japanese entry into the United Nations.

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[5] Reference is to the decision taken in September 1955 by the Federal Republic of Germany and the Soviet Union to resume diplomatic relations without agreeing on territorial issues outstanding between them and without signing a formal peace treaty.

The Secretary stated that there was some evidence that internal changes in the Soviet Union indicate a greater degree of nationalism and a lesser degree of emphasis upon international communism. If the Soviet Union were to pursue its purely nationalistic goals, it was more important than ever that the United States and Japan be closely allied to prevent predominant Russian power in the western Pacific from reducing Japan to a very subordinate position. The United States-Japanese partnership was valuable and although the United States had filled the role of senior partner as a result of the war, he hoped that these roles could be reversed in the west Pacific. Mr. Kono said that he also had observed changes in in the Soviet Union and had gained the impression by the actions of the people marching in Moscow on May Day that they had become detached or removed somewhat from their leaders.[6]

Mr. Kono and the Japanese Ambassador gave their approval to the Department's statement to the press, which was made available to the press services after the meeting:

[Here follows the press statement.]

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[6] At the May 31 meeting of the National Security Council, Allen Dulles reported to the Council on developments affecting U.S. security. The section of the memorandum of discussion concerning Japan reads: "Mr. Dulles indicated that the negotiations between Japan and the USSR were not making notable progress. It appeared, however, that the Soviets were gradually wearing down the Japanese in their opposition to a renewal of diplomatic relations in the absence of a peace treaty. Hatoyama seems to favor what is called the Adenauer formula." (Memorandum of discussion by Gleason, June 1; Eisenhower Library, Whitman File, NSC Records)

78. Telegram From the Department of State to the Embassy in Japan[1]

Washington, May 26, 1956—1:08 p.m.

2606. Your 2759.[2] Sebald discussed matter with Secretary and will be prepared convey Secretary's views on meeting with Japanese leaders as circumstances may require. Will not however carry message from President or Secretary.

In meantime following comments may be helpful in any discussions your part with Government leaders and may in your discretion be communicated orally to them. In course of discussions with Kono, opportunity for which United States Government appreciated, United States officials did not express opposition to resumption diplomatic relations or conclusion peace treaty on part Japan because this regarded as matter for Japanese Government decision and United States views on particular issues concerned with Japanese-Soviet relations have previously been made known to Japanese Government. However United States Government is concerned that Japan may accede to resumption diplomatic relations USSR without obtaining adequate returns. In this regard Department officials somewhat reassured by Kono statements that Japan would insist upon Soviet support Japan's U.N. entry prior resuming relations and that Japanese Government well aware dangers increased Soviet subversion and intends take stringent internal anti-Communist measures.

With respect Communist China suggest you reiterate as occasion affords points made your discussion with Shigemitsu and in particular reasons why closer relations Communist China very different from normalization relations USSR.

Hoover

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[1] Source: Department of State, Central Files, 661.946/5–2456. Secret; Limit Distribution. Drafted in NA and approved by Sebald who signed for Hoover.

[2] In telegram 2759, May 24, Allison stated: "Shigemitsu last night expressed regret that press reports of Kono's visit to US had apparently given Japanese people impression that leaders of US Government have no objections and in fact approved results of Kono's negotiations in Moscow which are confidently expected to result in reopening of diplomatic relations between Japan and USSR." Allison noted that from the U.S. point of view "most dangerous result of Kono's activities is spur it has given to those who wish to go on and normalize relations with Communist China." Allison recommended that Sebald, then expected on a visit to Japan, should be given a message "from Secretary and perhaps also from President" for private transmission to Japanese leaders, concerning what the result would be if future action was taken by Japan toward normalization of relations with the People's Republic of China. (*Ibid.*)

79. Letter From the Secretary of State to the Secretary of Defense (Wilson)[1]

Washington, June 22, 1956.

DEAR MR. SECRETARY: As you know, the report of the Price Subcommittee of the House Armed Services Committee[2] on the Ryukyuan land problem has had an unfavorable reaction both in Okinawa and in Japan. In Okinawa, as we understand the situation, the main basis for objections appears to be the profound disinclination of the farmer to be separated from his land, involving the loss of the yield of the land if under tillage and the possible loss of title to the land itself. In Japan, on the other hand, the basis for the adverse reaction seems to lie as well in a belief that formal acquisition by the United States of large areas in Okinawa would be inconsistent with residual Japanese sovereignty.

The Department of State is impressed with the fairness and thoroughness of the Price Subcommittee report and in general supports its recommendations. However, it appears desirable to carry out the program in such a manner as to allay the Ryukyuan and Japanese sentiments to the fullest extent compatible with essential United States interests. The Presidential Directive for U.S. Civil Administration of the Ryukyu Islands, approved August 2, 1954,[3] authorizes in Section J2 only the acquisition of "leasehold or easement interests" where landowners are unwilling to sell outright. This policy has not been publicly stated.

The Department of State considers that it would be helpful if this policy were publicly stated, and since willingness of a landholder to convey the fee title would be most exceptional, that it would be advantageous to make no distinction between condemnation and negotiation, and to state simply that it is the policy of the United States to acquire long-term right of use rather than the fee title. We think also that it would be helpful in allaying opposition for the United States to clarify the capacity in which it is prepared to acquire the long-term interests, and to determine as a matter of policy and within the terms of the Presidential Directive that such interests will be acquired and held in the name of the Government of the Ryukyu Islands for the use of the United States, with the rights and interests of the United States clearly spelled out and made a matter of record so that no dispute could arise later on this point. It is appreciated that this would probably require an ordinance of the U.S. Civil Administration. The purpose of this course would not be to represent the acquisition as a voluntary action of the local authorities, however; it would be to present the acquisition for the use of the United States in a manner most compatible with arrangements in areas where the United States is not the sovereign.

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[1] Source: Department of State, Central Files, 794C.0221/6–2256. Confidential. Drafted in NA and cleared in L.

[2] U.S. Congress, House, *Report of a Special Committee of the Armed Services Committee, Following an Inspection Tour October 14 to November 23, 1955* (Washington: U.S. Government Printing Office, 1956), published on June 13. Representative Melvin Price chaired the special subcommittee.

[3] See the July 28, 1954, letter from Dulles to Wilson, *Foreign Relations*, 1952–1954, vol. XIV, Part 2, p. 1684. For a draft text of the Directive similar in substance to the Directive as issued, see the attachment to Wilson's letter to Dulles, July 15, 1954, *ibid.*, p. 1672.

There are many other aspects of the land program which it may be desirable to clarify, although the Department of State realizes that some of them will take time to elaborate. For instance, it would seem to the Department of State, both as a matter of policy and of public relations, that it would be desirable to develop the suggestion of the Price Subcommittee that arrangements be made whereby the lump sum payments to landowners could, with their consent and at their request, be deposited in a fund which could be used under the management of the Government of the Ryukyu Islands for development purposes in the area and generate revenues which would give a reasonable return to the investors.

It would seem highly desirable that a public statement be made as soon as possible by the United States Government, clarifying its intentions with respect to the land program to the fullest extent that that is possible. It is suggested that such a statement be made by the Department of Defense and that it cover the three points which are discussed above. Officers of the Department of State are prepared to discuss these questions in detail and to be of any possible assistance.[4]

Sincerely yours,

John Foster Dulles[5]

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[4] In a reply to Dulles, July 6, Gordon Gray stated in part: "As a result of a recent meeting between members of your staff and representatives of the Department of Defense the subject of releasing a public statement with respect to the land program was thoroughly discussed. The unanimous opinion of the group was that timing of the release was most important, and that while developing the statement our respective representatives would consult further as to the appropriate time to release the proposed statement." (Department of State, Central Files, 794C.0221/7-656) No record of the meeting mentioned by Gray has been found.

[5] Printed from a copy that bears this stamped signature.

80. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State[1]

Washington, June 25, 1956.

SUBJECT

The Okinawan Land Problem and Tenure of American Bases in Japan

There has been an outburst in Japan of troublesome anti-American feeling stemming from the Okinawan land problem. The furor began with the publication on June 13 of the report of the Price Subcommittee of the House Armed Services Committee recommending long-term United States acquisition of land in Okinawa and lump sum payment therefor. It was aggravated by sensational misrepresentations by the Japanese press arising from a Congressional hearing on June 14, where a Defense Department witness acknowledged that under Article IV of the the Security Treaty it would be possible for the United States to keep bases in Japan even for one hundred years. His statement was interpreted by the Japanese press to mean that the United States would unilaterally decide how long to keep its Japanese bases.

The Department of Defense will address itself to quieting public sentiment in Okinawa. In your letter of June 22 to the Secretary of Defense[2] you recommended that he make a public statement which would clarify American intentions in Okinawa. On June 22 the President sent a letter to Mr. Shuhei Higa,[3] Chief Executive of the Government of the Ryukyu Islands, characterizing the Price Subcommittee report as "both sympathetic and constructive in character" and stating that he was asking Secretary Wilson to communicate further with Mr. Higa on this subject.

It would appear to devolve upon State to meet the crisis that is brewing in Japan. The Socialists in Japan are making capital both of the Price Subcommittee report and of the misrepresentations of United States intent to maintain bases one hundred years in Japan without consulting Japanese desires. Their chief purpose, obviously, is to influence the outcome of the Upper House elections, scheduled for July 8.[4]

Embassy Tokyo has urged that the Department make public a restatement of United States intentions in Japan and Okinawa, in a series of telegrams (Tab C),[5] and the Japanese Government has made informal representations of a similar nature. We have drafted a telegram to Ambassador Allison, authorizing him to make such a statement directed principally at the Japanese situation and the Japanese concern of Okinawa (Tab A).[6] The draft statement acknowledges officially for the first time our view of Japan's residual sovereignty in the Ryukyu Islands. The concept was first stated by you when you were U.S. Delegate to the San Francisco Peace Conference, and it appears in the Minutes of that conference but not in the Treaty. With respect to our bases in Japan, the draft statement says nothing specifically, but it does say that the Security Treaty with Japan unites the Japanese and ourselves in maintaining international peace and security in the Japan area, and in this enterprise we are working together in our best mutual interests.

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[1] Source: Department of State, Central Files, 794C.0021/6–2556. Confidential. Drafted in NA and sent through S/S.

[2] *Supra.*

[3] Not found.

[4] See footnote 3, Document 82.

[5] Not found attached. Telegraphic correspondence on the subject is in Department of State, Central File 794C.0221 for 1956.

Recommendation

That you sign the telegram to Ambassador Allison (Tab A) and that you give a similar statement to the press (Tab B)[7] when you meet them on June 27, if asked.

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[6] Not found attached. The draft, prepared in NA and cleared with Lemnitzer by Robertson, was approved by Dulles with a minor change and sent as telegram 2847 to Tokyo, June 25. (*Ibid.*, 794C.0221/6–2256) The statement authorized in that telegram was based on suggestions made by the Embassy in telegram 2999, June 22. (*Ibid.*) On June 27, the Embassy released the statement. For text, see Department of State *Bulletin*, July 9, 1956, p. 60.

[7] Not printed. Okinawa was not discussed at the Secretary's news conference on June 27.

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81. Memorandum of a Conversation, Department of State, Washington, July 6, 1956[1]

SUBJECT

Reaffirmation of Japan's Friendly Attitude and Policy toward the United States

PARTICIPANTS

Mr. Tadao Kuraishi, Japanese Minister of Labor
Ambassador Tani, Embassy of Japan
Mr. Tanaka, First Secretary, Embassy of Japan
Mr. Oosawa, Personal Secretary to Minister of Labor
Mr. Shimanouchi, First Secretary, Embassy of Japan

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[1] Source: Department of State, Central Files, 611.94/7–656. Confidential. Drafted by Parsons on July 7.

Mr. Hoover, Acting Secretary
Mr. Parsons, Acting Director, Office of Northeast Asian Affairs

Mr. Hoover extended a warm welcome on behalf of himself, the Secretary and the Department of State to Mr. Kuraishi and expressed his pleasure that Mr. Kuraishi was able to visit the State Department on his current trip home from Geneva.

Mr. Kuraishi stated that before his departure from Japan both the Prime Minister and the Foreign Minister had requested him to stop in Washington and to confer with the top United States officials for the specific purpose of clearing away any possible misunderstanding in the United States regarding the policy of the Japanese Government toward the United States. He stated that there have been reports in the press in Japan that many American officials have concluded that Japan may soon make an easy political accommodation with the USSR in the interest of early normalization of relations between Japan and the USSR. He understood that the same type of reports had been appearing in newspapers in the United States. Such reports are garbled and reflect a clear misunderstanding of Japan's policy on this question; there in no intention on the part of the Japanese Government to follow such an easy line when negotiations on the peace treaty are reopened.

Mr. Hoover assured Mr. Kuraishi that there is no question in our minds about the intentions of the Japanese Government. We understand that the press does sometimes have reports that do not reflect the true policy of the Government. This also happens in the United States. He added that the Secretary had told him about his excellent conversations with the Prime Minister, the Foreign Minister and other Japanese officials in Japan during his visit there in March.

Mr. Kuraishi said that with respect to Red China there are segments of the Japanese public and political groups in Japan who advocate closer relations. In particular, these groups are pushing for increased trade with Red China. However, it is the firm intention of the Japanese Government not to act unilaterally in relation to these matters. The Government will consult fully and will act in concert with the United States. This assurance Mr. Kuraishi was extending at the specific request of both the Prime Minister and the Foreign Minister.

Mr. Hoover expressed appreciation for Mr. Kuraishi's extension of these assurances. He added that particularly with respect to Red China the American public has very deep feelings. Accordingly, Japanese actions in relation to Red China, if not well coordinated with the United States, could be misunderstood and lead to difficulties in relations between Japan and the United States. Mr. Hoover added that he believed the Secretary had pointed out in his discussion with Japanese officials that the Japanese Government would be wise to make sure that the advantages which it desired in any possible relations with the USSR were securely "nailed down" before the Japanese Government agreed to the Soviet's wishes.

In response to a question from Mr. Hoover, regarding his travel plans, Mr. Kuraishi stated that he had received a telephone call from Tokyo on June 5 requesting his return with the utmost dispatch. Accordingly, he is returning to Japan by way of the Pacific as quickly as possible.

Mr. Kuraishi stated that the development of the United States air bases in Japan is not proceeding as rapidly as desired by both the Japanese and the United States Governments. Mr. Kuraishi has responsibilities in connection with expediting these developments, and he will exert his efforts to move the matter ahead as quickly as possible. There is, of course, some resistance in Japan, particularly on the part of the Socialists; however, the vast majority of the people in Japan are in favor of moving ahead. Recently the Government has established a Defense Council, whose members are Mr. Kuraishi, the Chief of the Defense Agency, and the Ministers of Finance and Construction. This group, too, will bend its efforts to expedite the defense buildup in Japan.

Mr. Hoover appreciated both Mr. Kuraishi's explanation and the difficulties which the Japanese face in this particular situation. He explained that we regard the development of the defense of Japan in the context of mutual security and are giving every possible consideration, in conjunction with the Department of Defense, to its development in ways which will minimize the difficulties.

Mr. Kuraishi asked for a sympathetic understanding by the United States of the confused political situation in Japan. He explained that the Socialist Party is unpredictable. He added that unlike the Labor Party in Great Britain, who would undoubtedly continue close association with the United States should they be returned to a position of leadership, there is no guarantee that the Socialists in Japan will not move away from the free world should they at some future date obtain control of the government in Japan. Of course, not all members of the Socialist Party take this position. Some of the more conservative members would clearly desire to continue Japan's orientation to the free world. In addition to the Socialists, some Labor leaders desire to move away from Japan's orientation toward the free world. Although the vast majority of the Japanese people desire close alignment with the United States and other free nations, these small elements among the Socialist and Labor groups becloud the situation and add confusion on the Japanese scene.

Mr. Hoover stated that with respect to the defense of Japan he would like to add that the United States is moving as fast as possible to reduce United States forces in Japan. In this situation, however, we are guided heavily by Japan's own desires in relation to the augmentation of her defense forces. Since these matters are closely related, we do not want to create difficulties by our own actions and are most anxious to have any suggestions which the Government of Japan could give us on the matter.

Mr. Kuraishi explained that one of the prime objectives of the present Japanese Government is to create increased stability, both political and economic, in Japan. Such increased stability will permit an increased understanding on the part of the Japanese public of Japan's need for continued close relations with Western nations, particularly the United States. To further this end, the Government has sought and obtained legislative authority to establish a Defense Council and a Constitution Revision Committee. They have also obtained legislative authority to reform the school board system. In addition, the Government attempted to reform the electoral system by establishing smaller electoral districts. However, they were unable to obtain passage of this measure in the last Diet session. As Labor Minister, Mr. Kuraishi is bending his efforts to help achieve the objectives of the Government by improving the housing conditions for laborers, taking other actions which will increase the stability among the working population in Japan, and although his plans are not yet fully developed, he is thinking of other actions and may, he said, need to come to the United States for help in implementing some of these plans. Mr. Hoover assured Mr. Kuraishi that the United States Government will do what it can to be of help in this situation, and we will certainly watch the developments with great interest. He added that the type of economic system which we have in the United States and which is also prevalent in Japan certainly provides the best basis for handling the types of problems which Mr. Kuraishi referred to. Our own economic system has brought great strength to the United States. We are certain that the Conservative Party in Japan and the Minister of Labor agree that this type of system will solve Japan's economic and political problems much more quickly and more successfully than those plans which the more radical elements would adopt.

Mr. Hoover referred to the current problem in the United States resulting from textile imports from Japan. He assured Mr. Kuraishi that the Executive Branch is bending every effort to prevent the establishment of quotas or other types of legislation which would freeze imports from Japan at an undesirably low level. In this connection, the Government is very appreciative of the restraint which the Government of Japan has demonstrated in handling the problem of exports from Japan. He added that a continuation of this policy of restraint should be helpful to the efforts of the Executive Branch in connection with the question of imports from Japan. At this juncture, we are hopeful that legislation which would arbitrarily restrict imports from

Japan will not be passed, but we can not be certain on the question.[2] This is a political year and Americans take politics very seriously. Over and above this, as far as textiles are concerned, the United States industry has recently moved to the south, and now for the first time in history there is developing a protectionist sentiment among representatives of the south.

Mr. Kuraishi indicated that there have been statements in the Japanese press which indicate that some Americans think the United States can not be sure of the direction in which Japan will move in its relations toward the United States on the one hand and the USSR and Communist China on the other. Consequently, according to these reports, little effort should be given in the United States to help Japan in the current textile situation. He added that there can be no doubt about Japan's future course in relation to its orientation toward the free world, and he hoped that this misunderstanding among the American public would not deter the United States Government from making decisions that will be helpful in connection with Japan's textile export situation.

After an exchange of most cordial farewells, Mr. Kuraishi, Ambassador Tani and Mr. Hoover were photographed by photographers from the many wire services in Washington.

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[2] On June 28, the Senate defeated two amendments to the then-pending Mutual Security bill which would have imposed quotas on imports of cotton textiles. The Mutual Security Act of 1956 was approved, without any such amendments, on July 18. For text, see 70 Stat. 555. In a September 27 note to the Department, Japan undertook to expand in 1957 the voluntary export controls on cotton goods already in effect during 1956, provided the U.S. Government would take "all feasible steps" to solve the "problem of discriminatory state textile legislation and to prevent further restrictive action with regard to the importation of Japanese textiles into the United States." For text, see Department of State *Bulletin*, October 8, 1956, p. 554. Documentation on the subject of Japanese textile exports is in Department of State, Central Files 411.9412, 411.9441, 411.946, 411.949, and 493.9441.

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82. Memorandum of Discussion at the 290th Meeting of the National Security Council, Washington, July 12, 1956[1]

[Here follow a paragraph listing the participants at the meeting and items 1–4.]

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[1] Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on July 13.

5. U.S. Policy Toward Japan (NSC 5516/1; Progress Report, dated June 27, 1956, by OCB on NSC 5516/1)[2]

Mr. Anderson briefed the Council on the highlights of the subject Progress Report, and indicated that Mr. Allen Dulles would comment, in the course of his intelligence briefing, on the results of the recent elections in the upper house of the Japanese Diet.

The National Security Council:

Noted and discussed the reference Progress Report on the subject by the Operations Coordinating Board.

6. Significant World Developments Affecting U.S. Security

With the use of a chart, the Director of Central Intelligence analyzed the situation before and after the recently concluded elections to the Japanese House of Councillors.[3] In conclusion, he indicated that, thanks to the number of Socialists elected, it would be practically impossible for the Japanese Government to obtain the two-thirds vote in the House necessary to secure the desired program of Japanese rearmament. Mr. Dulles also noted the possibility of an early resumption of negotiations between Japan and the USSR for a treaty of peace.

Apropos of the situation in Japan, Secretary Wilson informed the Council that the Defense Department had agreed upon a new plan for the reorganization of military affairs in the Pacific area. When this plan was in effect there would be a single Pacific Command headed up by Admiral Stump. In addition, it had been decided to remove the UN Command from Japan and to locate it in Korea. Secretary Wilson said this was part of the great effort in the Defense Department to scotch the idea so prevalent in Japan that that country was still occupied. If we could not succeed in destroying this idea, we stood to lose our entire position in the Japanese islands. Secretary Wilson warned that it might take a year to effect this reorganization, although he was not sure that it need take more than three months.[4]

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[2] The Progress Report is not printed. (Department of State, S/S–NSC Files: Lot 63 D 351) In a June 22 memorandum to Hoover, Howard Jones summarized a draft of a June 15 Progress Report (identical to the June 27 version) as follows:

"The report states that our present policy (NSC 5516/1) is adequate. However, the report also states that while Japan is still basically aligned with the United States, some of the ties are wearing thin, and developments over recent months tend to introduce a new phase in U.S.-Japanese relations. Improved political stability, a comfortable foreign exchange situation, resurgence of nationalism and a drift towards the Communist continent are important signs of decreased Japanese dependence on the United States and the advent of more independent Japanese policies. Troublesome problems to which the report draws attention are the Bonin Islanders, war criminals, territorial issues, the tendency to establish new relations with the USSR and Communist China, Pacific fisheries, security arrangements, Japanese trade, and Asian economic development.

"The most important part of the progress report is that entitled, 'Major Problems or Areas of Difficulty,' which sets forth the issues which we are going to have to face in our relations with the Japanese over the next few years. Even since the writing of the initial draft of this report, the Japanese have approached us on several of these issues; namely, the repatriation of the Bonin Islanders, the release of the war criminals, the Pacific nuclear tests and the U.S. position in Okinawa." (*Ibid.*, OCB Files: Lot 62 D 430, Japan)

[3] In these elections, held July 8, the Socialists increased their representation from 68 to 80. The LDP won 122 seats, the Green Breeze Society 17, and minor parties and independents 31.

Secretary Hoover expressed great satisfaction at this information from Secretary Wilson, and said that the only disturbing aspect was the length of time estimated to be required to effect this reorganization.

Secretary Wilson replied by reemphasizing that the reorganization could be done much more quickly if it was necessary, and he would be very glad to have Secretary Hoover's recommendation for a shorter period. Secretary Hoover said he would be very glad to see the reorganization accomplished in thirty days, and promised the help of the State Department in effecting the relocation of the UN Command to Korea.

[Here follows discussion of unrelated matters.]

The National Security Council:

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to the results of the recent Japanese elections; the continuing debate on the Khrushchev de-Stalinization speech; unrest in Czechoslovakia and Hungary; and the situations in Iceland, the Middle East, and Cambodia.

SEG

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[4] The reorganization was effected on July 1, 1957.

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83. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Under Secretary of State (Hoover)[1]

Washington, July 17, 1956.

SUBJECT

Secretary Wilson's Comments on Buildup of Japanese Forces

The problem to which Secretary Wilson referred at NSC[2] in connection with the buildup of Japanese forces is not clear from his suggestion "that the slowness of the buildup might be connected with the MDAP activities, or, in some way, reflect on State."[3] In my opinion, the slowness in the Japanese defense buildup results from basic political and economic attitudes of the Japanese and has no direct relation to the manner in which the MDAP has been administered. The principal matter pertaining to the Japanese defense buildup in which the Department of State has been involved is the agreement with the Japanese Government on a formula for the progressive reduction of the Japanese contribution to the support of U.S. forces in Japan, which was reached in January 1956. This, it is believed, is a material contribution to the buildup of Japanese forces.

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[1] Source: Department of State, Central Files, 794.5/7–1756. Secret.

[2] Apparent reference to the NSC meeting held July 12; see *supra*.

Secretary Wilson may have referred to the slowness in MDAP deliveries. The MDAP program for FY 1955–56 for equipment and supplies to the Japanese amounted to $252,315,000. As of February 29, 1956, deliveries of only $54,730,000 had been accomplished under this program. A possible explanation of the apparent slowness in deliveries may be the global reprogramming in the early part of 1956 which resulted in "new money" for Japan. The Department of Defense has primary responsibility for developing MDAP programming; the Department of State's function is limited to concurrence in programs.[4]

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[3] This statement is not recorded in the memorandum of the July 12 meeting.

[4] An attached, undated handwritten note from Hoover to Robertson reads as follows: "Please keep me advised if you wish to push the Defense Dept to make further deliveries." Several other attached notes indicate that the question of whether to approach the Department of Defense was passed down the line to NA, but no subsequent documentation on the subject has been found in Department of State files.

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84. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, July 20, 1956—11 a.m.

160. Kono called on me at his request last night in company with Frank Matsumoto to give me his views on situation in Japan after elections. He specifically asked what he told me be passed on to Secretary Dulles for he said it is most important that close and intimate relations be maintained by United States and Japan and that United States leaders be kept accurately informed of internal situation here. After pointing out manner in which Liberal-Democratic Party leader-

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[1] Source: Department of State, Central Files, 794.00/7–2056. Secret.

ship failed in past election through their own disunity, lack of forcefulness, and confused policies, Kono went on to say that in all frankness he wished to point out that action of United States authorities in issuing Price Report on Okinawa and making public congressional hearings on military assistance programs and desire of United States to see constitutional change in Japan had played significant role in assisting Socialists increase their strength. He did not dwell on this at length however as he said there is no use crying over spilled milk and he seemed to feel important thing was what was done in future.

Kono outlined plans of party leadership over next month or two as follows: There is agreement Hatoyama should retire but only if suitable replacement can be found. Month of August will be devoted by party leadership to attempt to reach agreement on who successor should be. Kono said he and "so-called" mainline of party favored Kishi as successor but unfortunately there is in some quarters considerable opposition and it might take some time to achieve their end. There is even more opposition to Ishibashi who has been mentioned also as possible successor.

Around end of month or during early part September there will be major Cabinet re-shuffle. At this time Kono would leave Cabinet and take Kishi's post as party Secretary General. Kishi would enter Cabinet although not decided in just what capacity. Apparently this Cabinet change will take place whether or not agreement has been reached on successor to Hatoyama. If successor has been picked by party leaders it will be necessary to call Diet into session in order to have new Prime Minister elected. It was not clear whether or not this would be done as soon as agreement on successor had been reached or whether Cabinet change would be first step with Hatoyama remaining in office for short time until normal session of Diet is convened in November. Kono believes putting Kishi in Cabinet will increase his chances become Prime Minister if August deliberations failed to agree on successor. Kono states next big public test for Conservatives will be Lower House elections which he anticipates will take place next spring. He is confident that Conservatives can win these elections and obtain 2/3 majority. One of reasons for failure in Upper House elections was abstention of many Conservatives from voting and Kono says this has been good lesson to party which will see to it that in future this does not happen. Kono at this point smiled and said, "Of course I assume there will be no more Washington help for Socialists".

With respect to Soviet-Japanese negotiations Kono said that Shigemitsu was going to Moscow with instructions agreed on by party and these were to effect that he should insist as minimum on Soviet recognition of Japan's residual sovereignty in southern Kuriles. Kono would not expand on this and he evaded definite answer to question as to what would happen if Soviets should refuse to meet this Japanese demand.

Kono then referred to conversation he had with Secretary Dulles last May in Washington and particularly to that part of it which he said had been agreed keep confidential. Kono apparently has in mind keeping this confidential primarily as regards other Japanese officials as in presence of Matsumoto he did not mention substance of this part of his conversation with Secretary but only requested that I assure Secretary Kono's commitments would be carried out. He is presumably referring to his statement to Secretary that if diplomatic relations with Soviets resumed it would be necessary for Japanese Government to take firmer stand against Communists in Japan and to Kono's commitment that he would convince Japanese Government of this necessity even if it meant adopting legislation to outlaw Communism.[2]

Kono then asked if I could give him any information about coming American elections and their probable result. I stated that it was impossible at this time and at this distance for me give him any more than what he was able to read in newspapers and news magazines. However I did say that in my opinion both American political parties were greatly interested in Far East in general and Japan in particular and whichever one proved successful in coming election Japanese Government could be assured of continuing deep interest by American Government in Japan and its problems. This concluded talk and as Kono departed he cautioned me against believing all political stories carried in Japanese press and said he would be glad to see me from time to time and give me real facts on internal political situation.

Allison

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[2] Discussion of this subject is not recorded in the memorandum of Dulles' May 19 conversation with Kono, Document 77. However, see Document 78.

85. Despatch From the Embassy in Japan to the Department of State[1]

No. 103

Tokyo, August 3, 1956.

REF

Department's Circular No. 12 dated July 11[2]

SUBJECT

Embassy–USOM Comment on Military Assistance Program for Japan, USFY 1958[3]

This despatch is responsive to paragraph 4 of the referenced Circular.[4]

As was the case in the 1957 Military Assistance Program, the 1958 program provides, in accordance with the instructions contained in the Department of Defense (DOD) Program Guidance, an accurate assessment of the matériel which would be needed to meet the defense objectives for Japanese Fiscal Year 1957. Also, it is clear from our review of the program that a conscientious effort has been made to screen from the program those items which the Japanese Government is willing to supply, and able to supply within time limits set by the U.S. Department of Defense.

While it is thus felt that the 1958 program is fully consistent with DOD programming guidance, it is nonetheless clear that Japan is financially and physically able to bear a much larger share of anticipated defense costs. This situation, and an estimate of the extent to which Japan can be expected to increase its defense effort, are discussed in Embassy Despatch No. 100 dated August 3, 1956.[5]

Apart from the domestic political difficulties discussed in that despatch, there is no real incentive for Japan to take on a greater share of its own defense costs as long as the United States continues its present policy of disposing of less up-to-date equipment of U.S. Forces through the device of the Military Assistance Program. The Japanese are well aware of the reason why they are supplied with this equipment, and they expect the supply to be practically inexhaustible. Thus the Six-Year Plan, which is the present although unofficial basis for defense planning by the Japanese, is predicated on the assumption of continued massive U.S. end item assistance.

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[1] Source: Department of State, Central Files, 794.5–MSP/8–356. Secret.

[2] Circular 12, a joint State–Defense–ICA message, dated July 10, is not printed. (*Ibid.*, 700.5–MSP/7–1056)

[3] A copy is attached to a memorandum from Robert C. Yost of FE to Hemmendinger. (*Ibid.*, 794.5–MSP/8–856)

[4] In paragraph 4 of circular 12, the participating agencies asked U.S. missions in countries with Military Assistance Programs for comments on political and economic implications of the programs as submitted by the MAAGs.

[5] Not printed. (Department of State, Central Files, 794.5–MSP/8–356)

An important consideration to bear in mind when attempting to appraise Japan's defense effort is the fact that the Japanese may not be convinced that the U.S. program for building up Japan's defense forces is realistic. It is difficult, if not impossible, to evaluate accurately Japan's thinking on this question. Certainly, however, some or all of the following considerations have occurred to the Japanese. These considerations represent a source of great confusion which mitigate against development of and implementation of a realistic Japanese plan for self defense.

1. The Japanese have never accepted U.S. ideas on the defense of Japan which originally provided for *major* emphasis on ground forces with *major* air and navy support to be provided by the United States. U.S. planning has shifted somewhat from this early stand, but even for JFY 1957 almost half of the Japanese defense budget for ground forces, most of which is required to provide the manpower to use ground force matériel supplied by the United States. The Japanese doubtless fear that Japan will not be defended on the beaches, and therefore the expenditure of nearly half of their defense agency budget on ground forces probably does not appeal to their estimate of sound relative priorities between the services.

2. Recent statements emanating from Washington tend to confirm the view that ground forces are becoming less important not only for Japan but for the United States as well. The idea of shifting to a greater dependence on modern weapons has received a tremendous amount of publicity, and the implications of this shift are not lost on the Japanese. The United States appears to the Japanese to have revised its own defense planning but still to be urging Japanese adherence to U.S. Force goals, which were determined five years or more ago, and which provide for what the Japanese no doubt think is an excessive emphasis on ground forces.

3. On numerous occasions the U.S. has emphasized that U.S. armed forces support would be withdrawn as Japan's military strength increases. Usually, however, redeployment of U.S. forces for Japan has been undertaken for reasons quite unrelated to the direct defense of Japan, although the U.S. has insisted that the role of the U.S. in the defense of Japan has not been affected thereby. The end result of these troop movements is that U.S. combat forces contributing directly to Japan's defense have been decreasing faster than Japan's own forces have been increasing. From the Japanese standpoint this is not a realistic approach towards solution of the joint problem of defending Japan

or of the implementation of plans therefor. Under these circumstances the Japanese would not know how to plan even if they were willing significantly to increase their support of their own forces.

Because of the foregoing considerations the Embassy and the USOM believe that a review of U.S. procedures for programming military assistance in Japan is needed. It is suggested that the review proceed along the following lines:

(a) Determine first whether or not Japan, in the future as in the past, is to be equipped substantially with less up-to-date U.S. military equipment. If the old procedures are to be followed (and the Embassy recognizes that there are many advantages in such programs), no special effort should be made to induce an increased effort on the part of the Japanese to produce similar weapons.

(b) If, however, such weapons will not be available from U.S. sources to equip additional Japanese units and maintain existing units, a new effort must be made to convince the Japanese that they must in fact assume a larger share of the cost of military hardware.

(c) Before making any such attempt, however, it is suggested that a complete review of Japanese force goals be undertaken *in conjunction with the Japanese.*

(d) The Embassy and the USOM believe that a reappraisal of Japan's defense requirements, if undertaken in conjunction with the Japanese, might lead to a de-emphasis of ground forces. It is possible that the Japanese would agree to an increase in *total* defense expenditures if the United States would agree to a reduction of ground force goals. The Japanese are now meeting U.S. objectives for air forces, including naval air forces, and are very close to U.S. objectives for surface naval forces. Moreover, for these forces Japan is supplying a large and increasing part of the required hardware. If the ground force goals were thought to be more realistic, the Japanese Government might be willing and able to pass a larger defense budget even over inevitable Socialist opposition. If such an effort were successful, the volume of U.S. end item support to Japan's defense forces could be reduced.

(e) Finally, it is suggested that the United States is not taking full advantage of the potential leverage which would be available for the furtherance of U.S. military objectives in Japan if our programming procedures were more flexible. After more than five years of large-scale U.S. support, it is not surprising that the Six-Year Plan is predicated on the assumption of a continuation of such support.

As indicated in the initial paragraph of this despatch, it is felt that the MAAG program for 1958 is entirely consistent with DOD programming guidance. Therefore the Embassy and the USOM have little to offer by way of comments on details of the program. The MAAG report points with justifiable pride to the successful joint program for the production of T-33 and F-86 aircraft in Japan. In the Navy section of the report, reference is made to unsuccessful efforts to develop a similar joint program for the production of naval aircraft in Japan. These efforts have been observed closely and it is believed that the prospects for a Naval aircraft production program remain good despite the fact that the Defense Agency rejected the recent offer by the U.S. side. The essence of the Japanese position is that the U.S.-proposed joint program for the production of naval aircraft fails to provide reasonable assurance of continued U.S. support of the program. Indications are that the Japanese Government, subject of course to the availability of funds in future years, might support a Five-Year joint program. They expect the same kind of U.S. support, that is, a declaration of a U.S. policy, subject to the availability of funds during the program period. It is also believed that serious and prompt consideration should be given to the possibility of a joint program for the production of the Nike in Japan. Indications are that sample quantities of various guided missiles will be made available to Japan in the near future for research purposes, and the MAAG program for 1958 proposes to re-equip four AAA battalions with the Nike at a cost of $72,000,000 to the U.S. It is altogether possible that the Japanese would welcome a joint production program as well as a joint research and development program. All of the arguments in favor of F–86 production in Japan would seem to apply, with greater force.

In commenting on the MAAG Program for USFY 1957, the Embassy and the USOM opposed a proposal to supply the Japanese with large quantities of ammunition. It is noted that the 1958 program contains no such proposals and that the quantities called for are relatively modest and of low priority. In most cases it would appear that the quantities which the U.S. would furnish are not sufficiently large to justify economical production in Japan. The alternative to inclusion of these quantities in the MAAG program would be their purchase by the Japanese from sources outside Japan. It is felt that the Japanese would not provide budgetary support for such purchase.

As directed in the DOD programming guidance, the MAAG has given very careful consideration to the subject of spare parts. The Embassy and the USOM feel that the MAAG has successfully carried out the spirit of these instructions. Spare parts for the ground forces are almost entirely in priority category II, and it is only with reference to aircraft spare parts that a significant allocation of funds is called for in the 1958 program. There can be no question that the Japanese are making a reasonable effort to supply aircraft parts. The fact that most of these parts will go into aircraft being produced in Japan during the next several years is a necessary development. It is reasonable to assume that Japan will assume support of its own aircraft as rapidly as possible.

For the Ambassador:
Outerbridge Horsey
Deputy Chief of Mission

86. Letter From the Secretary of State to the Secretary of Defense (Wilson)[1]

Washington, August 7, 1956.

DEAR MR. SECRETARY: Since my letter to you of June 22, 1956,[2] on the Ryukyuan land problem and Assistant Secretary Gray's reply of June [*July*] 6,[3] there has been an increase in concern about the United States administration of the Ryukyus in Japanese circles. As Ambassador Allison has pointed out in a series of messages which have been transmitted to the Department of Defense, our policies in the Ryukyus have clearly to be considered not only from the standpoint of sound local administration in the Ryukyus but also from the standpoint of our long-term relations with Japan. At the same time it appears that although the agitation within the Ryukyus on the land issue has somewhat subsided there remain basic underlying dissatisfactions that may rise to plague us again on other issues in the future.

I therefore request that our two departments consider together, before new decisions are taken or any existing decisions are executed, the policies to be applied in the following matters:

1. The method of compensation for land used by our military forces. On this point the Department of State is now of opinion that the acquisition of long-term interest by lump sum payments should proceed most cautiously, and that until a procedure is devised which is basically acceptable to the Ryukyuan population and not susceptible to serious criticism in Japan, it would be preferable to continue to occupy the lands without any fixed term and on the payment of an annual rental. If the introduction of new methods should be delayed, it may be desirable to reexamine again the amount of the annual rentals.
2. Additional land requirements of our forces in the Ryukyus, and in particular the plans of the Navy and the Marine Corps. On the basis of present information, the Department of State is of opinion that any plans calling for the withdrawal of further land from agriculture should be reconsidered.
3. Command of United States forces in the Ryukyus upon the abolition of the Far East Command. This has significant political implications because of the interpretation which might be placed upon a separation of the Ryukyus from Japan in the United States command structure. At the same time the Department of State suggests that serious consideration be given to establishing direct communications on matters of civil administration between the administrative authorities in the Ryukyus and Washington. We also believe that policy guidance from Washington on civil matters should be regarded as a

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[1] Source: Department of State, Central Files, 794C.0221/8–756. Confidential. Drafted in NA and cleared in FE and L.

[2] Document 79.

[3] See footnote 4, Document 79.

joint responsibility of the Department of Defense and the Department of State; and it appears desirable to establish some more formal mechanism for this purpose than now exists.

I do not suggest that these matters must all be resolved together or at the same time, and the Department of State will be glad to consider them through whatever procedure the Department of Defense regards as most fitting. With respect to timing, we would think it desirable, in view of the speculation which is bound to occur, that a decision on the third point be announced promptly. We are also inclined to think that it would be helpful if a statement of United States Government policy on the land problem could be made indicating that no solution will be pushed through hastily. Officers of the Department are discussing such a statement with officers of the Department of Defense.

Sincerely yours,

John Foster Dulles[4]

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[4] Printed from a copy that bears this stamped signature.

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87. Telegram From the Department of State to the Embassy in Japan[1]

Washington, August 11, 1956—3:10 p.m.

322. Friday August 10 there was long conference between Murphy and Assistant Secretary Defense Gray on Okinawan land problem.[2] General Lemnitzer had pressed Army to clarify United States position namely is Price Report basis our policy. Defense drafted telegram to Lemnitzer [3] before State Department position was crystalized and passed to us for concurrence.

Main points Defense draft were (1) Price Report basis United States national policy (2) Implementation should be slow and careful (3) United States to acquire fee title where possible by voluntary consent (4) Where fee title unobtainable, ninety-nine or fifty year easements renewable at option (5) Lump sum payments for such easements or long term interest could be deposited in government fund and annual payments made therefrom at option landowner.

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[1] Source: Department of State, Central Files, 794C.0221/8–1156. Secret; No Distribution Outside Department. Drafted and approved in NA. Also sent to Naha.

[2] A memorandum of this conversation, drafted in NA on August 15, is *ibid.*, 794C.0221/8–1056.

[3] Not found. A revision of this draft, embodying agreements reached at the meeting of August 10, is attached to the memorandum cited in footnote 2 above.

State Department keeping in mind various suggestions in recent telegrams from both Tokyo and Naha proposed following amendments:

(1) Price Report in general basis our policy.

(2) No lands should be taken in fee simple.

(3) Long term interests of indefinite duration should be acquired through USCAR action.

(4) Advisable program be started respect lands having permanent facilities and condemnation proceedings should be resorted to at first only in case of lands having permanent or essential facilities.

(5) Interest to be vested officially in GRI but by USCAR ordinance lands to be for use of U.S. armed forces.

Result Friday conference Defense seems willing accept all points except vesting nominal interest in GRI. Would prefer USCAR but taking matter under advisement.

Considerations of importance to Army and to Defense are:

(1) Acquisition Okinawan land should have psychological effect of impressing Japanese and Okinawans U.S. will remain Okinawa permanently for practical purposes.

(2) Acquisition must be precisely as set forth Price Report if Army is to be able explain action to Congress and obtain further necessary funds.

Rationale Department's proposed amendments:

(1) Agree Tokyo preferable not continue use words Price Report though in general it is basis for framework

(2) Fee title even if obtained from relatively few could be magnified by hostile elements indicate U.S. intends remain permanently, violating Japanese residual sovereignty and permanently alienating land. Therefore oppose fee title but willing agree to lump sum payment for long term interest. Department has been impressed by John Steeves' arguments in favor lump sum payments and has concluded that it is best go along with Defense on this point, especially in view latitude contemplated in manner of making such proceeds available owners over period years.

(3) Defense unwilling accept 20 or 25 year term, and term 50 or 99 years would be politically unacceptable Ryukyuans and Japanese. Department believes indefinite term, which after all best reflection officially stated policy of tenure is best for land acquisition. Any specification number years regardless length lead to political reaction some group either in Japan or Ryukyus.

(4) Condemnation proceedings of land having permanent structure etc conforms Japanese practice.

(5) Vesting interest GRI conforms most closely U.S. practice elsewhere abroad where title or long term interest vests in local governments. Also believe vesting title GRI psychologically most acceptable

Japanese and Ryukyuans. Defense fears acquiring land interest in name third party unacceptable Congress but Congress has shown willingness do this Philippines. Vesting interest GRI would moreover require no positive act by GRI as all action can be taken by USCAR and documented by USCAR by ordinance.

Telegram will advise Lemnitzer make statement giving essential features program. Believe not essential additional policy statement emanate from Washington. Lemnitzer being advised work closely with Embassy. State–Defense agreement probable next few days, and some modifications State positions outlined above may be necessary. Will keep you advised developments.

Dulles

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88. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, August 14, 1956—10 a.m.

353. Deptel 322.[2] Embassy inclined to agree that Defense program of land acquisition as modified by Department is about best we can do under present circumstances.

We should continue to resist notion that our actions on Okinawa should reflect intention remaining there permanently. In the first place, we have given explicit public assurances that we shall be there only so long as conditions of threat and tension continue. By acting as if we were in Okinawa permanently, we do not get rid of Japanese pressure for return of administrative control but in fact increase it. I think our telegrams have made clear that Embassy expects such pressure to increase over next few years and it will be easier to handle if the target is not so precisely outlined as would be the case if our actions are manifestly taken in expectation of remaining permanently in Okinawa. Moreover, as suggested mytel 56,[3] it is far from certain that on broad strategic grounds we want to be there permanently. In this connection during his recent visit here Admiral Radford told me that while he was CINCPAC he had never been consulted on build-up Okinawa. He doubted wisdom of decision make Okinawa main base but believed it should have been developed as staging area for Air Force with main base being somewhere in trust territory such as Saipan. I would urge again high level reconsideration of basic US objectives in Okinawa.

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[1] Source: Department of State, Central Files, 794C.0221/8–1456. Secret; Priority; No Distribution Outside Department. Repeated to Naha.

[2] *Supra.*

[3] Dated July 10, not printed. (Department of State, Central Files, 711.56394C/7–1056)

Embassy remains of belief that, in acquiring land, lease for 20 or 25 years would be ample for all US purposes, but if decision to adhere to lump sum principle for long tenure is unavoidable, emphatically agree with Department that fee title should not be acquired even if owners are willing to concede it. Embassy [garble] concurs Department view that easement should be for indefinite term rather than for fixed long term such as 50 or 99 years.

Embassy concurs with Department view on interest being vested in GRI as conforming to practice elsewhere, as consistent with fundamental legal theory that Okinawa is not American soil, and as making program more acceptable to Japanese.

Concur that any public statements should be made by General Lemnitzer here or in Okinawa, but think that time has passed when generalized public statement of any kind would be useful, particularly one which in effect reaffirms lump sum payment, fails to give more categoric assurances on new acquisitions than have previously been made, and fails to spell out in detail constructive features of entire land acquisition and resettlement program. Recommend instead that Defense authorize General Lemnitzer, after consulting with me, to make appropriate public statements when detailed programs have been formulated and time is judged to be right.[4]

Allison

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[4] In an August 15 memorandum to Murphy, Sebald recommended to Murphy that "we should abandon the GRI point and agree that title be vested in the United States." He suggested also several minor changes in the draft cited in footnote 3, *supra*. Marginalia indicate Murphy's agreement, and also, later that day on behalf of the Department of Defense, that of Charles G. Ellington, Jr., Special Assistant to Deputy Secretary Reuben Robertson, to the draft as revised. It was decided not to advise Lemnitzer to make any public statement prior to the drafting of detailed language, which was to be done by RYCOM. (Department of State, Central Files, 794C.0221/8–1556) The provisions of the draft agreed upon on August 15 were embodied in telegram 908565 from the Department of Defense to CINCFE, August 16. (Department of Defense Files)

89. Memorandum of a Conversation Between Secretary of State Dulles and Foreign Minister Shigemitsu, Ambassador Aldrich's Residence, London, August 19, 1956, 6 p.m.[1]

USDel/MC/48

SUBJECT DISCUSSED

Japanese-Soviet Treaty Negotiations

At the conclusion of the discussion of the United States proposal for a declaration to be made to the London Conference on the Suez Canal,[2] Mr. Shigemitsu said he would like to bring up the subject of his negotiations with the Soviet Union for a Peace Treaty.[3] He said the only remaining point at issue was the territorial question. The Soviet Union wished to draw a boundary line to the north of Habomai and Shikotan. He inquired whether such a boundary would be legal from the point of view of the San Francisco Treaty. He said that Mr. Sebald had stated to the Japanese Embassy in Washington that such a concession would be in contravention of the Treaty.

The Secretary reminded Mr. Shigemitsu that the Kuriles and Ryukyus were handled in the same manner under the surrender terms and that while the United States had by the peace treaty agreed that residual sovereignty to the Ryukyus might remain with Japan, we had also stipulated by Article 26 that if Japan gave better terms to Russia we could demand the same terms for ourselves. That would mean that if Japan recognized that the Soviet Union was entitled to full sovereignty over the Kuriles we would assume that we were equally entitled to full sovereignty over the Ryukyus.

Mr. Shigemitsu stated his understanding that under Article 3 the status of these islands was definitively settled and could not be reopened. The Secretary again reaffirmed that this was not the case because of Article 26.

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 745. Secret. Drafted by Arthur Ringwalt. Dulles left Washington on August 14 to attend the London Conference on the Suez Canal crisis, which opened in London August 16, and remained there until August 24. For documentation on the Conference, see volume XVI.

[2] This part of the conversation is covered in USDel/MC/47, also by Ringwalt. (Department of State, Conference Files: Lot 62 D 181, CF 745)

[3] Soviet-Japanese talks had resumed at Moscow on July 31, but were suspended on August 13 in order that Shigemitsu and Soviet Foreign Minister Dimitri Shepilov might attend the London Conference. By that time, however, the talks had reached deadlock over the territorial issue and over a Soviet proposal that warships of nonriparian powers be excluded from the Japan Sea. At a press conference held in Moscow on August 13, Shigemitsu expressed the belief that it was advisable to conclude a treaty even on the Soviet terms.

In telegram 366 from Tokyo, August 14, Allison reported that he had learned from a Japanese source that the remainder of the Cabinet was unanimous in opposing a treaty on the Soviet terms. (*Ibid.*, Central Files, 661.941/8–1456)

Mr. Shigemitsu inquired whether the United States would be prepared to take the initiative to convene a conference to discuss the disposition of the Kuriles and the Ryukyus. The Secretary took a negative attitude to this suggestion. He noted that Article 27 should be of value to Japan in its negotiations with the Soviet Union. The Japanese might tell the Soviets that if they were forced to give up the Kuriles they would have to give up the Ryukyus as well. In its dealings with Japan the United States has been soft where the Soviet Union has been tough. Perhaps the United States should likewise get tough. The Secretary expressed the opinion that the Soviet Union needs peace with Japan as much as Japan needs peace with the Soviet Union. He recalled that the Soviet Union had taken the position repeatedly that they would never have a peace treaty with Austria until peace had been made with Germany, but they had suddenly changed. Perhaps in dealing with the Soviet Union the best way would be to take the position that all the Kuriles enjoy the same status as the Ryukyus—i.e., foreign occupation with residual sovereignty resting with Japan. He thought there might be a basis for compromise with the Soviet Union taking sovereignty over certain islands and conceding Japan sovereignty over others. He said that he did not see the Japanese query about the San Francisco Treaty until he was about to leave Washington. He told the Japanese Ambassador there in effect what he was now telling Mr. Shigemitsu.[4] If Japan tells the Soviet Union that it could have sovereignty over the Kuriles, then the United States will insist on sovereignty over the Ryukyus. The Secretary remarked in parentheses that he did not necessarily mean that the United States would in fact insist on full sovereignty over the Ryukyus but rather that the United States was entitled to do so and he could not guarantee what some future United States Government might say with regard to this problem. The whole purpose of Article 26 is to prevent a subsequent Treaty from extracting from Japan more favorable conditions. Were Japan to ask the United States if the title to the Kuriles could be split as between the southern-northern parts, the United States might reconsider. The United States has already turned back the northern Ryukyus. The Secretary suggested Japan might tell the Soviet Union of the tough line the United States was taking—that if the Soviet Union were to take all the Kuriles, the United States might remain forever in Okinawa, and no Japanese Government could survive.

Mr. Shigemitsu said that, if the United States were firm in its interpretation as outlined by the Secretary, Japan should then renew its efforts with the Soviet Union. The Japanese argument was the Kunashiri and Etorofu were properly the territory of Japan and that Japanese sovereignty over these islands had never before been questioned by the Soviet Union. The Soviet reply had been that the disposition of these islands had been decided by wartime agreements with the United States and the United Kingdom.

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[4] No other record of this conversation has been found.

The Secretary stated emphatically that this was untrue. He said that the wartime decisions were only recommendations for consideration at a Peace Treaty. He could assure Mr. Shigemitsu that no statement of President Truman ever confirmed Soviet title to these islands and that he would confirm this position if the Japanese formally ask him.

Mr. Shigemitsu suggested that the United Kingdom might have a different view as to the validity of the wartime declarations. The Secretary replied that he could not speak for the United Kingdom and that he never discussed this point with the United Kingdom. It is possible that, by virtue of the British constitutional system, the Prime Minister had bound the United Kingdom at Yalta.[5]

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[5] Secto 33 from London, August 22, repeated to Tokyo, transmitted to the Department a summary of this conversation. (Department of State, Central Files, 974.7301/8–2256)

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90. Telegram From the Secretary of State to the Department of State[1]

London, August 22, 1956—Noon.

Dulte 20. Reference: Secto 33,[2] and Tosec 40, repeated information Tokyo 381.[3]

Shigemitsu apparently in worried and distraught condition as result collapse Soviet peace treaty talks. He several times referred vaguely to desirability US calling conference of Japan, USSR, UK, perhaps others to consider question final territorial dispositions. It would presumably be predicated upon residual and inchoate right of victors to dispose finally of territories over which Japan had renounced sovereignty but where no new sovereignty internationally agreed upon. Apparently Shigemitsu feels it might thus be possible work out better deal for Japan on Kuriles than would otherwise be possible. He says when Japan talks to Russia alone, Russia is "very hard" and does not even listen.

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[1] Source: Department of State, Central Files, 661.941/8–2256. Secret; Priority; Limit Distribution. Repeated to Tokyo. Another copy of this telegram indicates Dulles drafted it. (*Ibid.*, Conference Files: Lot 62 D 181, CF 750)

[2] See footnote 6, *supra*.

[3] In Tosec 40, August 20, the Department, after mentioning several alternatives, concluded that "at this point" it would be "on balance" best to offer no advice to Japan on the territorial issue. (Department of State, Central Files, 661.941/8–2056)

I had assumed[4] Shigemitsu merely throwing out vague suggestion requiring no response but yesterday he asked me specifically what US position would be re such proposal. I am not sure that Shigemitsu speaks on this matter with governmental authority but yesterday I told him I would forward his suggestion to Washington.

I am generally sympathetic to trying to help out Japan as against USSR but believe this procedure would require thorough study lest it open up disagreeable questions re Ryukyus and Taiwan.

Dulles

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[4] In the source text this phrase reads "I has assured". The correct reading is taken from the Conference File copy.

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91. Memorandum From the Acting Director of the Office of Northeast Asian Affairs (Hemmendinger) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, August 22, 1956.

SUBJECT

Embassy Tokyo's Estimate of Japanese Developments in the Next Five Years

Embassy Tokyo's telegram 309 of August 8[2] sent in response to the Department's request for political forecast to be used in the preparation of the NIE paper on Japan, gives a sobering evaluation of current trends which provide a real challenge to American diplomacy. This evaluation by the Embassy corroborates the Department's own analysis which formed the basis for the OCB Progress Report on Japan that was adopted in June.[3] It was our own estimate in NA that the basic policy paper on Japan would require revision when next reassessed. Embassy Tokyo's comments should be most helpful to the Department in laying out lines of policy which correspond more closely to the real political and economic situation.

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[1] Source: Department of State, Central Files, 794.00/8–856. Secret. Drafted by Martin.

[2] Not printed. (*Ibid.*)

[3] See footnote 2, Document 82.

The Next Year or Two

Embassy Tokyo looking at the next year or two anticipates continuation of conservative factionalism and the falling away of disgruntled individuals from the conservative party, but regards a complete split in the conservatives as improbable. However, as a result of their losses to the Socialists in the recent Upper House election the conservatives—and the Government—are expected to pay greater attention to measures having popular appeal, such as the Okinawan land problem and to shelve less popular measures. The replacement of Hatoyama, however, should bring more capable and energetic leadership. Kishi is regarded as the most probable successor to Hatoyama. However, Kono is trying to postpone the Hatoyama succession until spring, though favoring a cabinet reshuffle before the next Diet session this fall.

Forecast for Next Five Years (until 1961)

There is no "automatic trend" in favor of the Socialist Party and at present no prospect of extreme left or right gaining greatly in strength. The socialists are not likely to gain except in the event of conservative deterioration through disunity and incompetence but the indirect influence of the socialists on conservative policy will be considerable, i.e., Conservatives will be impelled to say and do things considered popular. The balance of probability lies in the direction of continued though somewhat halting evolution of moderate conservatism in Japan but the margin between Conservative program and Conservative deterioration is probably not great and therefore international influences though marginal can add up to "just that critical difference" between meager success and failure. This point was graphically illustrated when "ill advised and ill timed United States Government action strengthened the Socialists."

On the international scene the next five years will probably be marked by the completion of Japan's reentry into the world by joining the United Nations, settling reparations, establishing diplomatic relations with USSR and its major satellites and probably official relations "short of diplomatic status" with Red China. Japan's growing economic independence from the United States is likely to increase and Japan's military dependence on the United States is likely to weaken further, so that "Japan can less and less be taken for granted." Japan five years hence can have one of four possible postures toward other nations, and which one it is will depend much upon what the United States does and says: 1. voluntary alignment with United States; 2. alignment with a neutral Asian-African bloc; 3. a pragmatically independent role basically pro-Japanese and 4. alignment with the Communist orbit, particularly Red China. There is much to persuade Japan to follow the third course but most Japanese Conservatives believe

Japan's interest can be best served by developing an enduring partnership with the United States. Alignment with the Communist orbit is unlikely because of basic differences in outlook and interests which will tend to become intensified and more obvious as the relationship becomes more intimate. Japan already fears Russia and will probably dislike Red China even more in 1961 than it does today. Embassy Tokyo states that the most plausible guess is "that Japan will be a sensitively independent, though often hesitant and weak, member of the community of nations, who has diluted her ties with the United States and tries for the most part to play the role of friend to all, antagonist on none". Japan's future alignment with the United States rests to a large extent upon the treatment by the United States of such problems as those associated with the Bonins, Ryukyus, presence of United States forces in Japan, war criminals, and trade with the Communist bloc.

Japan's willingness to enter into any realistic regional collective security arrangement by 1961 cannot be counted upon unless we have succeeded in developing greater mutuality of purpose or unless some international crisis provides the spur. The Embassy believes the United States still has a substantial chance to influence Japan to become an equal, voluntary and enduring partner.

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92. Memorandum of a Conversation, Ambassador Aldrich's Residence, London, August 24, 1956, 2:30 p.m.[1]

USDel/MC/92

PARTICIPANTS

United States Delegation	*Japanese Delegation*
The Secretary	Mamoro Shigemitsu
Ambassador Bohlen	
Mr. Ringwalt	

SUBJECT

Japanese-Soviet Treaty Negotiations

Mr. Shigemitsu presented to the Secretary a memorandum on "The Present Status of the Negotiations for the Normalization of Relations between Japan and the Soviet Union."[2] He said that the problem of the Kuriles is one for the countries signatory to the San Francisco Treaty. The question is whether Japan is entitled to give title of them to the Soviet Union. The Soviet Union wishes to draw a boundary south of Etorofu and Kunashiri. Japan has already given up at least the northern part of the Kuriles to the Soviet Union. The future of the whole Pacific area depends on the outcome of the negotiations with the Soviet Union. Other independent countries have an interest in the general situation in the Pacific. If the Secretary could call a conference of countries interested in the Pacific area, the matter could be settled. He said that Article 26 of the San Francisco Treaty has a limitation of three years. The Secretary countered by saying that the three-year clause puts a time limit on the right of other countries to acquire the same rights as the signatories of the Treaty. Since his conversation with Mr. Shigemitsu of August 19,[3] the Secretary had cabled Washington and Tokyo about the Japanese desire that a conference be called. Unfortunately, many are absent from Washington at present and they are preoccupied with other problems, including the Suez Conference and the National Conventions. The territorial problem is complicated—a conference might bring in Taiwan as well as the Kuriles.

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 746. Secret. Drafted by Ringwalt.

[2] Not printed.

In reply to a question from the Secretary, Mr. Bohlen expressed the view that one never knows how firm Soviet views are until a question has been placed firmly before them. Until it is placed squarely before them, one cannot guess their reaction. If a given area is important strategically, the Soviets never give in. In reply to a query from Mr. Bohlen, Mr. Shigemitsu said the Soviets wanted a firm agreement about relinquishment of the islands in question. Mr. Shigemitsu said that the Soviet Union has air bases on Etorofu and Kunashiri. There were formerly about ten thousand fishermen resident on the islands, but they were expelled by the Russians, and the only residents now are Soviet officials. The legal question is clear. The Japanese surrendered this territory under the San Francisco Treaty with the Allies, among whom the Soviets were not included.

The Secretary remarked that under the surrender terms the Japanese are entitled only to the full main islands. The Senate, however, had expressed an "understanding" at the time of ratification that the title to the Kuriles did not pass to the Soviet Union. Habomai and Shikotan were not considered part of the Kuriles, and the United States expressed that view at San Francisco. It is difficult to contend that Etorofu and Kunashiri are not part of the Kuriles. At the time of the San Francisco Treaty, the Yoshida government had asked the

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[3] See Document 89.

United States to take the position that Habomai and Shikotan were not part of the Kuriles. They did not make a similar request in respect of Etorofu and Kunashiri.

Mr. Shigemitsu said that the Soviets insist that they are occupying the islands with the consent of the United States and the United Kingdom and that Japan must accept the decision of these Allies. Mr. Bohlen recalled that there had never been any determination at Yalta what comprised the Kuriles. There was a list of Japanese Islands to be surrendered but the covering document referred to territory "stolen by Japan."

Mr. Shigemitsu recalled that when the Soviet Union occupied the Kuriles, they advanced as far away as Urup and asked General MacArthur whether they might occupy Habomai and Shikotan. This was to forestall their evident intention to occupy Hokkaido as well. The Secretary suggested that if the Soviet Union were anxious to have a treaty, with consequent diplomatic representation in Tokyo, they might give in eventually on the territorial question but that if the military value of the islands were substantial and the sea passage south of these islands were strategically important, the Soviets probably would not give in. He would study the problem from a technical, historical and military standpoint and pass his conclusions to the Japanese.

On taking leave, Mr. Shigemitsu stated that his Government would have to decide soon, as the treaty had become a matter of internal politics. He said he would return to Japan through New York, and would arrive in Tokyo on September 3.[4]

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[4] Dulte 31 from London, August 24, marked "For Acting Secretary and Robertson", reads as follows:

"In view of Shigemitsu's appeals, I suggest we have the historical division make a study to see whether there is any plausible basis for considering the islands of Kunashiri and Etorofu as not necessarily part of 'the Kuriles' as that word has been used in the various war conferences and Japanese peace treaty. Also please ask Defense people to give an estimate of the strategic importance to Russia of these two islands against which we can appraise practical liability of the Soviet Union making any concession." (Department of State, Central Files, 794.0221/8–2456) Concerning the Historical Division's study, see footnote 3, Document 97.

93. Notes Prepared in the Office of Northeast Asian Affairs[1]

Washington, August 27?, 1956.

WEEKLY NOTES TO TOKYO FOR WEEK ENDING AUGUST 24, 1956

1. Dulles–Shigemitsu Talks—London

Rarely have we been so baffled as by the developments on this subject over the past week. The Secretary's statement to Foreign Minister Shigemitsu that the United States would reserve its rights under Article 26 of the Peace Treaty should Japan recognize Soviet sovereignty over Sakhalin and the Kuriles, was not a staffed position but rather one which the Secretary himself enunciated prior to his departure for London. The then occasion was a request to us by the Japanese Embassy to indicate what the U.S. position would be in this eventuality. The Legal Adviser's office has dug up a theory in Hyde's International Law[2] which would support the Secretary's view that Japan has a residential sovereignty (a different concept we think than residual sovereignty in the Ryukyus but possibly the inspiration for the latter) in the Kuriles and Sakhalin until the sovereignty which she has renounced is transferred to another country. Japan's recognition of Soviet sovereignty would possibly perfect the Soviet claim, which is consistent with the Secretary's position that Japan would be conferring a special advantage upon the Soviet Union not extended to signatory powers. There is another possible theory, that Japan has surrendered its interest in the San Francisco Treaty and thereafter has nothing to say about it—a theory which is less dangerous politically but perhaps not so effective. We have had a working group with representatives from CA, EE, L and S/P, as well as NA, preparing a position for the Secretary, should he talk again to Foreign Minister Shigemitsu in this country, or for our own discussions with Mr. Shimoda of the Treaty Bureau, who will be in Washington August 27 and 28. The general purport of the position is not to change what the Secretary has already said but to dilute it a little and permit the Japanese to make up their own minds as to what course they will take, rather than place on our shoulders the responsibility for a breaking off of the negotiations which they might decide upon in their own interests in any event. At this writing we are trying to decide whether to recommend a clarification at the Secretary's press conference tomorrow[3] or silence. The latter is probably preferable, but it may not be easy to dodge.

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[1] Source: Department of State, Tokyo Post Files: Lot 64 F 106, 350 Weekly Notes. Secret. The source text does not indicate the manner of transmission to Tokyo.

[2] Not further identified.

[Here follows discussion of unrelated matters.]

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[3] August 28. See *infra*.

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94. Editorial Note

The following exchange occurred at the opening of Secretary Dulles' news conference held August 28:

"Q. Mr. Secretary, while you were in London, there were reports that when you went and met with Minister Shigemitsu of Japan you discussed the territorial question as involved in a Japanese treaty with Russia. Could you tell us something about your views of that treaty?

"A. Well, this is at the moment primarily a matter between the Japanese Government and the Soviet Union. The Japanese Foreign Minister told me about the problems that they had encountered at Moscow and the reason why they had discontinued, temporarily at least, the negotiations—because of a difference of opinion about the territorial clause. But he was reporting the developments to me more than anything else.

Q. Well, Mr. Secretary, to follow that up, you were quoted in some reports as saying that, if Japan recognized the Soviet claims of sovereignty over the Kuriles, it might open the way for United States demands for sovereignty over other islands, particularly Okinawa.

A. I pointed out to the Japanese Government—as a matter of fact, we had done it before I met with Mr. Shigemitsu in London—that there was an article, Article 26, of the treaty which did contain a provision that if a treaty was made with another government on terms more favorable than the Japanese peace treaty which we had signed then we would be entitled to claim comparable benefits. That clause was put in the treaty—I wrote the treaty very largely, as you may remember—for the very purpose of trying to prevent the Soviet Union from getting more favorable treatment than the United States got. I merely reminded the Japanese of the existence of that clause. I did not attempt to indicate what its operation would be or that in fact it would be invoked. I merely pointed out that there was such a clause."

For a complete transcript of the news conference, see Department of State *Bulletin*, September 10, 1956, page 406.

95. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, August 30, 1956—11 a.m.

513. Deptel 442.[2] We share Secretary's concern over consequences of international conference. See no grounds for thinking USSR would attend such conference confined to status Kuriles and Sakhalin, and obviously we would not want to agree to any conference not precisely so limited.

There has been some press discussion of possibility of such a conference and idea has been mentioned to us in past in informal conversations. From point of view of Japanese supporters of idea, conference is not only legally correct method (since San Francisco Treaty powers must share in final disposition disputed territories), but would serve shift onus of non-settlement. Apart from attempts Soviets would presumably make to broaden it to include Taiwan and Ryukyus, and bring in Communist China, there would be pressure from within Japan, especially from Socialists, to include discussion of full return of Ryukyus. Since no practical results could be expected, only purpose would be for propaganda and, on balance, we would almost certainly lose.

Last evening's papers cited Shigemitsu saying in London that U.S. is considering international parley to decide title to Southern Kuriles, and prominent LDP party official Suma is also quoted as believing conference should be held for that purpose. However, I have no grounds for believing that GOJ has taken formal position on matter and agree that Shigemitsu's suggestion to Secretary was perhaps made on his own responsibility.

Our previous line of non-involvement in Soviet-Japanese negotiations, sound though it was, can perhaps no longer be maintained in view of furor here over reports from London. FonOff working level gossip yesterday was that Shigemitsu has so thoroughly lost face by the succession of denials and confirmations that Kono faction intends use episode to push through Cabinet reshuffle, including ouster of

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[1] Source: Department of State, Central Files, 661.941/8–3056. Secret; Priority; Limit Distribution.

[2] In telegram 442, August 30, the Secretary asked the Embassy's opinion of the worth of holding an international conference to determine the status of South Sakhalin and the Kuriles. "See many drawbacks and little possibility [conference] could yield desired result for Japan but call might be worth considering from standpoint US-Japanese relations. Appreciate your estimate this factor with particular attention to probable views government as whole, since Shigemitsu may speak only for self." (*Ibid.*, 661.941/8–2756)

Shigemitsu. I think we can probably best serve our interests in Japan and at the same time give Shigemitsu some support, not by favoring international conference, but along following lines.

Suggest urgent consideration be given public statement by U.S., and by as many other San Francisco Treaty powers as we can round up in brief time, to effect we support Japan's interpretation of "Kurile Islands" in Article 2 of Peace Treaty as excluding Etoforu and Kunashiri, that on moral, historical and legal grounds, we believe they should be returned promptly to Japan and that any question of doubt on this point could be referred to ICJ. Association of other San Francisco powers with us would prevent our being isolated in responsibility for final breakdown of negotiations if (as we would expect) Adenauer formula unacceptable to either or both.

Domestic political situation in relation to Moscow negotiations is so confused that such action might have disadvantages as well as advantages. I am seeing Kishi this evening and other key leaders in next day or two, as appointments can be arranged, and suggest that no final decisions on this be made until I can report results of such conferences.[3]

Allison

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[3] In telegram 530 from Tokyo, August 31, Allison reported meeting on both August 30 and 31 with Nobusuke Kishi, Secretary General of the Liberal Democratic Party, Ryutaro Nemoto, Chief Cabinet Secretary, and Nemoto's Deputy, Takizo Matsumoto. Allison reported in part:

"I suggested, as my own idea and after making clear I was not acting under instructions, possibility of US, either alone or with other San Francisco Treaty Powers, issuing statement supporting Japanese contention on status Etorofu and Kunashiri and requested their opinion as to whether or not they believed such statement would be helpful. Both Kishi and Nemoto said it would be most helpful but it was stressed that content and timing were matters of great importance. On these two points Kishi expressed strong hope that, if it were decided to make a statement, Japanese leaders would be consulted in advance. I believe such consultation essential and I informed Kishi that I would so recommend." (*Ibid.*, 661.941/8–3156)

96. Memorandum of a Conversation, Department of State, Washington, August 31, 1956[1]

SUBJECT

Courtesy Call by Mr. Masuhara on Mr. Robertson

PARTICIPANTS

Mr. Keikichi Masuhara, Vice Director General, Japanese Defense Agency
Mr. Masao Sawaki, Deputy Chief, First Section, Defense Bureau, Defense Agency
Mr. Masayuki Tani, Ambassador E. and P., Embassy of Japan
Mr. Toshikazo Maeda, Second Secretary, Embassy of Japan
Lt. Colonel Toshiro Magari, Defense Attaché, Embassy of Japan
General Biddle, Head of MAAG–Japan
Mr. Walter S. Robertson, Assistant Secretary, Bureau of Far Eastern Affairs
Mr. Noel Hemmendinger, Acting Director, Office of Northeast Asian Affairs
Mr. James V. Martin, Jr., Officer in Charge, Japanese Affairs, NA
Captain Susumu Toyoda, U.S. Army Interpreter

Mr. Robertson greeted Mr. Masuhara who stated that he was delighted to be in the United States. He planned to spend four days in Washingt~~on and~~ then fourteen or fifteen days elsewhere inspecting various facilities after which he would be busy writing up his report. Mr. Masuhara stated that he had no particular matters to discuss but that the six-year rearmament plan was undergoing some revision and that he desired to seek American support. He would discuss this matter on September 6 with the American officials concerned. Mr. Masuhara gave Mr. Robertson two copies of a pamphlet on Japanese self-defense program and planning.[2] Mr. Robertson said that he would study the program with interest.

Mr. Masuhara said that there was a small problem which he would like to raise at the request of Ambassador Tani. The United States still had some Japanese military documents which the Japanese Defense Agency would like to have returned for its use in preparation of a military history. Mr. Robertson asked Mr. Hemmendinger if the Department was aware of this matter. Mr. Martin stated that preparations were being made for the return of the documents as speedily as possible. Mr. Masuhara expressed his thanks.

Mr. Hemmendinger asked what problems were likely to arise during the next few months with respect to Defense Agency. Mr. Masuhara stated that in the next few months nothing special would come up, that the ground forces would be increased by 10,000 men according to plan in the present fiscal year. The Air Self-Defense Force had been making considerable progress in pilot training and in increasing the number of F–86–F's in operation. This would continue. The main problem for the near future would be the compilation of next year's budget. Even among the Cabinet Members and the Liberal Democratic Party there were some who felt that the ground forces should not be increased by 10,000 in FY 1958. Such an increase would bring them to 170,000. Such an increase also would bring the ground forces to the point where they would have six divisions and four mixed brigades—ten combat units in all. Ten combat units form the present Japanese end goal. In the next following fiscal year (FY1959) it was planned to increase the ground self-defense force striking power with new weapons and mechanizations. Mr. Masuhara said that some slight changes were currently contemplated, after discussion with MAAGJ, to return forty-nine overage LSSL's to the United States. The United Stated had previously lent fifty LSSL's to Japan. Only one of these would be retained, and to replace the tonnage relinquished, Japan would build one destroyer, one submarine and four submarine chasers.[3] To do this, however, it would be necessary to revise the agreement.[4]

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[1] Source: Department of State, Central Files, 794.5/8–3155. Confidential. Drafted by Martin.

[2] Not found in Department of State files.

Mr. Robertson asked Mr. Masuhara if he knew what installations the Soviets had on the islands of Etorofu and Kunashiri in the Kuriles. Mr. Masuhara replied that the JSDF has no way of detecting such installations and has to depend on the United States security forces for such information. However, he believed that the Soviets have both airfields and military barracks on these islands.

General Biddle asked about the development program for the air Self-Defense Forces in the six year plan. General Masuhara replied that unlike the plan for the Ground Self Defense Forces where no particular change is anticipated the Japanese Defense Agency would like to amend the ASDF plan. Originally they planned to have twenty-one F–86–F squadrons and six F–86–D squadrons; that now it is planned to increase the six F–86–D squadrons to eight or possibly nine squadrons and correspondingly to reduce the number of F–86–F squadrons to eighteen or nineteen.

General Biddle asked about the plans for constructing P2V's (Navy anti-submarine planes). Mr. Masuhara said that originally the Japanese had thought of purchasing P2V's built by the United States but more recently the thinking had been to assemble these planes in Japan. This would cost three billion yen. He wished to discuss with American officials in Washington what financial assistance might be expected from the United States.[5]

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[3] A summary of the Japanese 6-year defense program (in English) was given to Department officials by Hiroto Tanaka, Counselor of the Japanese Embassy, on August 23. It is attached to Martin's memorandum of a conversation held with Tanaka, August 22. (Department of State, Central Files, 794.5/8–2256)

[4] Reference is to the charter party agreement signed at Tokyo on November 12, 1952; for text, see TIAS 2714; 3 UST (pt. 4) 5183. Extensions and amendments to this agreement went into effect January 13, 1958; text is in TIAS 3977; 9 UST 43. In the revision, 36 of the LSSLs were retained by Japan.

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[5] An agreement relating to a cost-sharing program for the production and development in Japan of P2Vs was effected by an exchange of notes in Tokyo on January 25, 1958. Text is in TIAS 3984; 3 UST (pt. 4) 124.

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97. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State[1]

Washington, September 3, 1956.

SUBJECT

United States Position on Japanese-Soviet Peace Treaty Negotiations

Japanese and Soviet Bargaining Positions

In the course of the London negotiations between Malik and Matsumoto, the Soviets receded in two minor respects from the territorial position taken at San Francisco: they are willing to return Habomai and Shikotan to Japan and instead of explicit recognition of Soviet sovereignty by Japan will accept treaty language defining the international boundary between the two countries. The Japanese have held out for recognition of their sovereignty over Etorofu and Kunashiri, and the farthest they have expressed willingness to go is acceptance of treaty language like that of variant formulas—including a definition of Japanese territory without any definition of Soviet territory, and including recognition of Soviet sovereignty over the Kuriles and Southern Sakhalin, leaving Etorofu and Kunashiri under Japanese sovereignty (with or without Soviet occupation by analogy to Article 3 arrangements)—but they have not presented these formally to the Soviet Union because of the adamant Soviet stand.

Disunity and factional politics have prevented the Japanese from taking a firm stand in dealing with the Soviets. Although there have been effective measures taken in recent months to create public sentiment against the Soviet territorial position, there has been comparatively little public indignation against the Soviet Union's blackmailing tactics, partly because the Japanese tend to be cowed by Soviet ruthlessness.

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[1] Source: Department of State, Central Files, 661.941/9–356. Confidential.

As indicated in the attached map and strategic analysis (Tab B),[2] the U.S.S.R. has important military installations on Etorofu and Kunashiri, which it would presumably be willing to give up only for a heavy price.

Japan has an excellent case that these two islands have historically always been Japanese, were never taken by Japan by force, and should in fairness be regarded as Japanese in the peace settlement. The islands have been described in Japanese and international usage as part of the Kurile chain, however, and it would be difficult to prove that they are not a part of the Kurile Islands as the term is used in the San Francisco treaty. (Historical study is attached as Tab C).[3]

In summary, the Japanese cards, which have not been well played, are the Soviet desire to have a full diplomatic mission in Japan and the possibility of dramatizing before Japanese and world opinion the contrast between Soviet "smiling diplomacy" and Soviet acts. The Soviet cards are the Japanese desires for return of prisoners, entry into the United Nations, and a reasonable fisheries arrangement. It appears that delay affects major Soviet interests much less than it affects major Japanese interests.

The Japanese were told in Moscow that without a territorial cession the Soviet Union would not release Japanese prisoners or allow Japanese admission to the United Nations. This represents a hardening of the Soviet position, possibly by reason of all that has taken place in the negotiations on the territorial question. An Adenauer formula would give the Soviets one of the main things they have wanted, however, a mission in Tokyo and full diplomatic intercourse. Although the Japanese who were in Moscow appear convinced it is too late, we cannot be sure that the door is in fact closed, but if such a resolution is possible, it is hard to estimate to what extent the Soviets would accede to Japan's desires on prisoners, United Nations entry and fisheries.

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[2] The map was not found attached. The remainder of Tab B is printed below.

[3] Entitled "United States Policy With Respect to the Kurile Islands: 1944–1952", August 1956, and prepared by Herbert Spielman, Policy Studies Branch, Historical Division. This study was forwarded to NA on September 1. Paragraph 5 of the "Conclusions" section reads:

"5. In most United States documents which deal with the subject, Kunashiri and Etorofu are recognized as being a part of the Kuriles, and the Japanese Prime Minister, speaking to the San Francisco conference convened to sign the peace treaty, specifically referred to these two islands as being 'of the South Kuriles'."

The quotation in paragraph 5 is from remarks made by Prime Minister Yoshida at the Eighth Plenary Session of the Peace Conference, held September 7, 1951. See Department of State, *Conference for the Conclusion and Signature of the Treaty of Peace with Japan: Record of Proceedings* (Washington: U.S. Government Printing Office, 1951), p. 277.

What Can the United States Do To Help Japan?

United States good offices would clearly not of themselves avail, and Japan appears to lack the bargaining power to win any further Soviet concessions on the territorial issue. It would accordingly appear that something of definite value would have to be offered by a third power, such as an offer by the United States to surrender bases in Japan or Okinawa or ease security trade controls. This is out of the question.

The disadvantages to the United States of calling a conference of interested nations clearly outweigh any possible advantages. Nothing has occurred since San Francisco to make resolvable by international agreement the questions which could not then be resolved. The U.S.S.R. would have the choice of declining to attend, on the ground that the question should be resolved by the U.S.S.R. and Japan, or of attending and seeking to turn it into a general Far Eastern conference, involving the status of Taiwan, Korea, and perhaps the Ryukyus. The Soviet Union would presumably insist Communist China be invited.

It appears doubtful that the Japanese will derive practical advantage in their negotiation with the U.S.S.R. from Article 26 of the San Francisco treaty, first, because the Japanese themselves are reluctant to accept the applicability of this article and, second, because the U.S.S.R. might conclude that action by the United States under this article would hurt us politically without basically altering the strategic situation.

Other possible courses have been considered but appear infeasible, including United Nations trusteeship for Etorofu and Kunashiri, a United Nations expression on the rights of Japan and the U.S.S.R., and an effort to obtain Japanese admission to the United Nations through admission of Outer Mongolia.

What Should Be United States Position Vis-à-vis Japan?

If we cannot directly assist Japan in its negotiations, there may be steps which would strengthen our bonds with Japan by way of contrast with Soviet imperialism. Any demonstration of moral support would be of some value from this standpoint, such as a declaration that we believe Japanese claims to Etorofu and Kunashiri are just. Similar statements could well be obtained from other powers, as suggested by Ambassador Allison (Tab D).[4]

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[4] Tab D was not found attached, but see the penultimate paragraph of Document 95.

In the light of Japanese reactions, it appears wise to avoid any explicit statement of our rights under Article 26 and to assert simply that having renounced sovereignty over the territories, Japan does not have the right to determine the question, which is of concern to the community of nations, not to Japan and the Soviet Union alone. This formulation would enable the United States to reserve all its rights, whatever they may be, and to refuse to recognize Soviet sovereignty even if Japan should ultimately purport to do so. (See memorandum of Acting Legal Adviser, attached, Tab E).[5]

This formulation also would avoid the responsibility which the United States could assume if it states that it may assert sovereignty over Southern Sakhalin and the Kuriles. There is a serious possibility that in Japanese eyes this would place the responsibility for a breakdown of the negotiations squarely upon the United States. The decision whether to execute a treaty on Soviet territorial terms if none better seem obtainable is a grave one which should truly be made by Japan, and while it may be preferable from the standpoint of United States interests that it be made in the negative, that is only true if we are not chargeable with having forced the issue.

Recommendations:

(1) That you call in Ambassador Tani and state the views of the United States along the lines of the attached aide-mémoire, giving him the aide-mémoire. (Tab A)

(2) That the following additional points be made orally:

(a) The Government of the United States has considered seriously whether a determination of the territorial questions referred to above could be assisted by an international conference of the interested powers, but has concluded that such a conference would not conduce to a solution of the problem at this time.

(b) The information available to us does not permit a conclusion whether any further Soviet concessions would be made but our experience indicates that only patience and resoluteness can exact the final Soviet position. Soviet strategic interest makes it unlikely that the Soviet Union will surrender control of Etorofu and Kunashiri, but this does not necessarily affect the possibility of a treaty formula by which Japan does not purport to relinquish sovereignty.

(c) It is not clear to us why the Soviet position on the availability of the Adenauer formula has hardened and it appears possible that this is a bargaining device and that the door is not closed. Members of the Japanese delegation can probably judge this better, however, than we can.

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[5] Reference is to a memorandum from John M. Raymond to Robertson, September 3, not found attached. (Department of State, Central Files, 611.941/9–356)

(d) The record of broken Soviet promises indicates that utmost caution should be exercised before assuming that Japan's desires on prisoners, United Nations admission, and fisheries would be met even if a treaty is concluded.

(e) The United States is willing if the Japanese desire to make public its position as stated in the aide-mémoire.

(f) The United States is willing, if the Japanese desire, to give diplomatic support to requests by Japan to other nations to make declarations along similar lines.

3. That Ambassador Allison be fully informed so that he can communicate the same position in Tokyo.[6]

[Tab A]

DRAFT AIDE-MÉMOIRE

Pursuant to the recent conversations in London between the Japanese Foreign Minister, Mr. Shigemitsu, and the Secretary of State, Mr. Dulles, the Department of State has reviewed the problems presented in the course of the current negotiations for a treaty of peace between the Union of Soviet Socialist Republics and Japan, and on the basis of such review makes the following observations:

The Government of the United States believes that the state of war between Japan and the Soviet Union should be formally terminated and normal diplomatic relations established. Such action has been overdue since 1951, when the Soviet Union declined to sign the San Francisco Treaty.

Although Japan is fully qualified for membership in the United Nations the Soviet Union has cynically used its veto to exclude Japan. The Soviet Union has flagrantly violated its obligation to return Japanese prisoners of war. It has callously conditioned arrangements governing fisheries on the execution of a treaty of peace. The United States regards these actions as incompatible with the pretensions of the Soviet Union to friendship with Japan and believed they give ground for concern with respect to the manner in which the Soviet Union can be expected to conduct its future relations with Japan.

With respect to the territorial question, as the Japanese Government has been previously informed, the United States regards the so-called Yalta agreement as simply a statement of common purposes by the then heads of the participating powers, and not as a final determination by those powers or of any legal effect in transferring territories. The San Francisco Peace Treaty (which conferred no rights upon the Soviet Union because it refused to sign) did not determine the sovereignty of the territories renounced by Japan, leaving that question, as was stated by the Delegate of the United States at San Francisco, to "international solvents other than this treaty".[7]

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[6] The approval line on the source text bears no indication of action.

It is the considered opinion of the United States that by virtue of the San Francisco Peace Treaty Japan does not have the right to determine the sovereignty over the territories renounced by it therein, and that this is not a matter to be resolved by agreement between Japan and any single Allied Power. The United States would not be bound to accept any action of this character and would have to reserve all its rights.

The United States has reached the conclusion after careful examination of the historical facts that the islands of Etorofu and Kunashiri (along with the Habomai Islands and Shikotan which are a part of Hokkaido) have always been part of Japan proper and should in justice be acknowledged as under Japanese sovereignty. The United States would regard Soviet agreement to this effect as a positive contribution to the reduction of tension in the Far East, and speaking for itself would be inclined in that event to review its position with respect to the remainder of the Soviet claim.

[Tab B]

Letter From the Chairman of the Joint Chiefs of Staff (Radford) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[8]

Washington, August 29, 1956.

DEAR WALTER: In answer to your letter to me dated August 25, 1956,[9] concerning the islands of Etorofu and Kunashiri, the following information is forwarded.

An Army division headquarters and the principal air base in the Kuriles are located on the island of Etorofu. The administrative headquarters of the Southern Kuriles and a fighter air base are located on the island of Kunashiri.

The military advantages to the Soviet Union of holding the islands of Etorofu and Kunashiri are that these islands provide:

(a) Additional bases close to Japan and within range of North Pacific shipping lanes;

(b) A contribution to the defense in depth of the Maritime Provinces and the island of Sakhalin;

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[7] The delegate was Dulles; the quotation is from the verbatim minutes of the Second Plenary Session, September 5, 1951; see *Japanese Peace Conference*, p. 78.

[8] Secret.

[9] Not found.

(c) A potential in the effective closure of the Sea of Okhotsk, and consequently La Perouse Straits, to non-Soviet shipping; and

(d) As peacetime surveillance stations, valuable information on air and sea traffic, and meteorological conditions useful in planning the defense of the area.

Therefore, from a military point of view, it is considered that the islands of Etorofu and Kunashiri are strategically important to the Soviet Union.

Sincerely,

Raddy[10]

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[10] Printed from a copy that bears this typed signature.

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98. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, September 4, 1956—1 p.m.

551. Department telegram 482.[2] Consider general approach and content excellent but have following comments:

Suggest opening clause of aide-mémoire refer with more precision to fact of Japanese initiative in making request to Secretary and to relationship of request to San Francisco Treaty, which relationship of course gives us legitimate grounds for comment.

Inclusion of third paragraph in aide-mémoire would expose US in Japan to charge of fighting cold war here and, in my opinion, would be counter-productive. These statements, while fully valid, are best said by Japanese themselves and this paragraph would better be part of oral presentation in point (d) with additional suggestion to Japanese by us that authoritative Japanese spokesmen make these points clearly themselves.

Fear reference to reservation of rights in paragraph 5 will provoke new round of charges that our innermost intention is to seek device to claim permanent possession Ryukyus. If any reference this point nevertheless considered essential, suggest it be handled by deleting last sentence paragraph 5 and inclusion in oral statement along broadened lines such as "in opinion of U.S. none of signatories of San Francisco Treaty would be bound to accept any action this character and they would be entitled reserve all their rights."

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[1] Source: Department of State, Central Files, 661.941/9–456. Secret; Niact.

[2] In telegram 482, September 3, the Department relayed to the Embassy the texts of the proposed aide-mémoire and oral statement, both *supra*, and requested the Embassy's comments on the two drafts. (Department of State, Central Files, 661.941/9–356)

On timing, assume point (e) in oral presentation can be interpreted as response to Kishi and Nemoto requests (Embtel 530)[3] for consultation as to timing and content of any statement. Simultaneous approach to Japanese Embassy Washington might well lead to confusion and increase possibility premature leak. Recommend therefore approach in Tokyo only, allowing me to control timing in consultation with Japanese leaders who in best position make judgments in light rapidly developing crisis described by tel 550.[4] After discussion with Japanese, would coordinate timing public release with Department.[5]

Allison

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[3] See footnote 3, Document 95.

[4] In telegram 550, September 3, Allison reported that Shigemitsu had returned to Japan to "face political storm". The Ambassador stressed the necessity for careful coordination with Japanese leaders and with the Embassy of any public statement on the Japanese-Soviet negotiations: "Whatever we say or do could be seized upon by press and politicians here and distorted to serve their own ends." He continued: "I therefore hope Secretary can give priority consideration this problem as soon as he returns to Washington." (Department of State, Central Files, 661.941/9–356)

[5] In a September 4 memorandum to the Secretary, Robertson stated he had prepared new drafts of the aide-mémoire and the oral statement in accordance with the suggestions in telegram 551, "most of which have been adopted. Ambassador Allison suggested that paragraph three of the aide-mémoire be omitted because it involves us in fighting the cold war in Japan. I do not agree." A marginal note in an unidentified hand indicates that Robertson discussed the new drafts with Dulles that day. (*Ibid.*, 661.941/9–456) The new drafts have not been found in Department of State files.

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99. Telegram From the Department of State to the Embassy in Japan[1]

Washington, September 6, 1956—4:19 p.m.

509. Eyes only Ambassador.

Dear John: Here is my personal thinking about the Russian Treaty situation:

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[1] Source: Department of State, Central Files, 661.9431/9–656. Secret. The source text indicates Dulles was the drafting and approving officer, but it does not bear his initials.

A solution is not to be found in ingenuity of formula, negotiating skill or persuasive oratory. It is to be found in the nature of the Japanese nation's reaction to Soviet toughness. If the result of that toughness is to bring about increasing Japanese hostility toward Communism, both as regards the Soviet Union and mainland China, then I believe there is a fair chance that the Russians will take a compromise territorial formula the Japanese could live with. If, however, the result is to strengthen the hand of those within Japan who believe that they should be more conciliatory toward the Communists, then of course the Russians will persist in their tough policies. The answer is thus to be found not in any territorial conference or in any special form of negotiation, but within the hearts and minds of the Japanese people themselves. They and they alone can provide the answer.

With respect to our own talks with the Japanese, I cannot indefinitely accept a situation which puts our relations on an "out of channels" basis. In the long run this will involve serious risks. I believe that you must deal primarily with the Foreign Office and that I cannot exclude dealing with the Japanese Ambassador.[2] Best regards, Foster.

Dulles

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[2] A number of documents in Department of State files indicate that Dulles had planned to see Ambassador Tani on September 5 to hand him the aide-mémoire and read the oral statement, but that this appointment was cancelled at the request of Allison, who believed that because the factional situation in Japan's governing party exacerbated the dangers of premature disclosure of the contents of the two documents, no approach should be made through the Japanese Embassy in Washington. However, in view of the Secretary's conversations with Shigemitsu, the Department still wished that the U.S. views be communicated by the Secretary personally, and therefore suggested that Dulles see Tani, and Allison visit the Foreign Office, as nearly simultaneously as possible. By the time telegram 509 was sent, telegram 564 from Tokyo, September 6, in which Allison expressed his agreement to to this procedure, had been received in the Department. (*Ibid.*, 661.941/9–656)

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100. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, September 7, 1956—10 a.m.

575. Eyes only Secretary.

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[1] Source: Department of State, Central Files, 661.9431/9–756. Secret; Priority.

Dear Foster: Thank you for your 509.[2] I entirely agree with your concept that success of Japanese-Soviet negotiations depends on reaction of Japanese people to Soviet toughness. There has been an encouraging trend in this direction during recent developments on these negotiations. I believe our proposed action can help carry this trend along.

I also agree that in any normal situation it is not advisable to carry on relations "out of channels". However, in Tokyo we have, I am afraid, a special and most unfortunate situation. The Foreign Office is almost powerless to affect policy and the influence of the Foreign Minister with his Cabinet colleagues is minimal. Moreover he is engaged to considerable extent in trying to salvage his own personal political position. In spite of this, I have endeavored at all times in presenting official United States positions to do it through the Foreign Minister. At same time I have felt it necessary informally to carry on discussions with such people as Kishi, Kono, and Nemoto, who, in fact, have much more say in making foreign policy than does the Foreign Minister. In absence of the Foreign Minister it would have been useless to conduct type of discussions reported in my 530[3] and 531[4] with Foreign Office. You will see from my 564[5] that I understand necessity of your dealing with Japanese Ambassador in Washington but as you will also see, I pointed out certain problems which unfortunately need to be kept in mind.

Allison

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[2] *Supra.*

[3] See footnote 3, Document 95.

[4] Dated August 31, not printed. (Department of State, Central Files, 611.941/8–3156)

[5] In telegram 564, September 6, Allison reiterated his view that the timing of a possible public release of the aide-mémoire had to be coordinated with factional leaders of the LDP. For this reason, it was "imperative" that the Japanese Embassy in Washington take "rigorous steps" to ensure the paper's secrecy in the interim. (*Ibid.*, 661.941/9–656)

101. Editorial Note

On September 7, Dulles handed to Ambassador Tani an aide-mémoire on the United States position with respect to the Soviet-Japanese peace treaty negotiations; see *infra.* On September 8, in Tokyo, Ambassador Allison presented the same paper to Foreign Minister Shigemitsu. The aide-mémoire reads as follows:

> "Pursuant to the request made by the Japanese Foreign Minister, Mr. Shigemitsu, in the course of recent conversations in London with the Secretary of State, Mr. Dulles, the Department of State has reviewed the problems presented in the course of the current negotiations for a treaty of peace between the Union of Soviet Socialist Republics and Japan, with particular reference to the interest of the United States as a signatory of the San Francisco Peace Treaty, and on the basis of such review makes the following observations.
>
> "The Government of the United States believes that the state of war between Japan and the Soviet Union should be formally terminated. Such action has been overdue since 1951, when the Soviet Union declined to sign the San Francisco Peace Treaty. Japan should also long since have been admitted to the United Nations, for which it is fully qualified; and Japanese prisoners of war in Soviet hands should long since have been returned in accordance with the surrender terms.
>
> "With respect to the territorial question, as the Japanese Government has been previously informed, the United States regards the so-called Yalta agreement as simply a statement of common purposes by the then heads of the participating powers, and not as a final determination by those powers or of any legal effect in transferring territories. The San Francisco Peace Treaty (which conferred no rights upon the Soviet Union because it refused to sign) did not determine the sovereignty of the territories renounced by Japan, leaving that question, as was stated by the Delegate of the United States at San Francisco, to 'international solvents other than this treaty'.
>
> "It is the considered opinion of the United States that by virtue of the San Francisco Peace Treaty Japan does not have the right to transfer sovereignty over the territories renounced by it therein. In the opinion of the United States, the signatories of the San Francisco Treaty would not be bound to accept any action of this character and they would, presumably, reserve all their rights thereunder.
>
> "The United States has reached the conclusion after careful examination of the historical facts that the islands of Etorofu and Kunashiri (along with the Habomai Islands and Shikotan which are a part of Hokkaido) have always been part of Japan proper and should in justice be aknowledged as under Japanese sovereignty. The United States would regard Soviet agreement to this effect as a positive contribution to the reduction of tension in the Far East."

The two governments, after consultation, made the aide-mémoire public on September 12. It is printed in Department of State *Bulletin,* September 24, 1956, page 484.

The Department made a detailed historical argument in support of its position on the territorial issue in a note presented to the Soviet Foreign Ministry on May 23, 1957. The note was in support of a damage claim by the United States for the destruction by Soviet aircraft of a B–29 over Hokkaido on November 23, 1954. For text of the note, see *ibid.*, July 8, 1957, page 68.

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102. Memorandum of a Conversation, Secretary Dulles' Residence, Washington, September 7, 1956, 9 p.m.[1]

SUBJECT

Japanese-Soviet Negotiations

PARTICIPANTS

Mr. Masayuki Tani, Ambassador E. & P., Embassy of Japan
Mr. Shigenobu Shima, Minister Plenipotentiary, Embassy of Japan
Mr. John Foster Dulles, Secretary of State
Mr. Walter S. Robertson, Assistant Secretary, Bureau of Far Eastern Affairs
Mr. Noel Hemmendinger, Acting Director, Office of Northeast Asian Affairs

Ambassador Tani called at the Secretary's request at the Secretary's home at 9 PM.

The Secretary handed Ambassador Tani an Aide-Mémoire,[2] copy of which is attached hereto.

The Secretary said that Ambassador Allison was making a similar communication in Tokyo at about the same time through Foreign Office channels. He said that the U.S. is willing that the Aide-Mémoire be published, but suggests that until the Japanese Government has examined it and reached its own conclusions on this question, all knowledge of the Aide-Mémoire should be held confidential. Ambassador Tani concurred.

The Secretary proceeded to make a number of other observations, following closely the attached "Oral Points", which he handed to Ambassador Tani at the close of the interview. The changes and interpolations which were made by the Secretary as he spoke are shown by brackets and underlining in the attached copy.

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[1] Source: Department of State, Central Files, 661.941/9–755. Confidential. Drafted by Hemmendinger on September 8.

[2] See *supra*.

The Secretary then asked if Prime Minister Hatoyama was going to Moscow. Ambassador Tani said that there were news reports that a decision had been made that he should go and that the position to be taken had also been reported, the so-called Adenauer formula, with conditions not only with respect to return of prisoners, but also support of Japan's entry into the United Nations and effectuations of the fisheries pact. He did not know whether these reports were accurate.

The Secretary asked how many prisoners the Japanese estimate still to be in Soviet hands. Ambassador Tani said that their figure is 11,000, but that the Soviet Union has confirmed only 1,000. As Minister Kono had said here, it appeared that many of them were untraceable. Recently a group of between 150 and 200 had returned from the USSR and there were some among them who were not on any Soviet list, which indicated that the Russians themselves might not know exactly how many there were. The Secretary commented that it is very difficult dealing with the Communists on prisoners, as we have found with respect to the Americans held by Communist China.

The Secretary went on to say in conclusion that the U.S. wants to be of help to Japan, and has no thought of making difficulties. Its only desire is to be helpful. His reference to Article 26, he said, had been entirely in this spirit, not with any idea of making territorial demands ourselves, but simply to give Japan an argument with the Russians.

Ambassador Tani said that he understood this and thought that while there had been some original misunderstanding, the Japanese press had gradually come to understand the Secretary's intent.

The Secretary said that he had, of course, written the treaty and had inserted this article for the protection of Japan, so that if other countries should make demands upon Japan, Japan would have a basis of resisting by pointing to the San Francisco treaty. All he had done was to recall the purpose of that article. The Ambassador said that he had read the Secretary's statement at his press conference on this subject and fully understood. Ambassador Tani referred also to public statements by the United States with respect to its administration of the Ryukyus and to the desire which has been expressed in Japan for some definition of the duration of U.S. administration as consistent with the fact that the U.S. is making no territorial demands.

Ambassador Tani called attention to the reference in the Aide-Mémoire to the statement made by the U.S. Delegate at San Francisco that the sovereignty of territories renounced by Japan would have to be left to "international solvents other than this treaty". He understood, he said, that it would not be feasible to call an international conference at this time, but would appreciate it if the Secretary could indicate if he had in mind any other activities of a diplomatic character, for instance, which might be taken in the future when the situation might have changed. The Secretary said that this was a very hard question. He would say that the processes that he had in mind—and he of course had been the U.S. Delegate at San Francisco who had made the statement—are the whole series of processes that are under way at present. The negotiations between Japan and the Soviet Union are a part, as are our own efforts to assist together with any pressures which we may possibly be able to bring about from other governments. He recalled that the Potsdam declaration which had set forth the surrender terms for Japan had referred to limiting Japan's sovereignty to the four main islands and "such other islands as we determine". That declaration was in the name of the President of the United States, the President of the National Government of the Republic of China, and the Prime Minister of Great Britain. The Soviet Union had claimed to accede to this document, but he believed the "we" referred to the three countries which had formulated the terms and that they were entitled to an exceptional voice. For instance, if the combined view of these three governments could be obtained and publicly stated that might have great weight. A full conference would open up other questions such as the status of Formosa, which did not appear wise.

Basically, the Secretary continued, the USSR is going to be guided by its estimate of Japanese reactions. If the result of Soviet toughness is to bring about increasing Japanese hostility, then the Soviets would be inclined to reconsider. If toughness increased Japanese sentiment toward conciliation with the Communists, obviously the Soviets would continue to be tough. The whole pattern of Soviet conduct was to compromise when met by strength and to remain tough when met by weakness.

Ambassador Tani said that personally he saw some possible advantage in an Adenauer type formula in that perhaps it would avoid the recognition of Soviet sovereignty, leaving that for future settlement. There has been a considerable stiffening of Japanese opinion but it may take more time, so that accordingly, the question of the northern territories might remain unsettled. It would be important during this period for Japan to have moral support of the free world to help prevent the Russians from continuing indefinitely to cheat. This issue was important for the Japanese nation and for the future of the whole world. The Ambassador recalled that he was in Tokyo as advisor to the Foreign Minister when consideration was being given to commencement of negotiations. Elections were in progress and there was a considerable public opinion in favor of normalizing relations with the Soviet Union. Shigemitsu had started the negotiations as a way of ventilating the issue, but unfortunately the political situation had deteriorated rather than stabilized. In his opinion, the conservative, constructive elements in Japan have no alternative but to bind themselves more closely to the U.S. and the free world and oppose the Communists. The Socialists say that if the U.S. is not helpful, they can turn to the continent. This is irresponsible and would mean ruin to Japan, but if the issues are to be ventilated, the support of the U.S. and the free world is essential so that there will be a political stabilization and firming of public opinion on Communist relations. It will be particularly important after the publication of the Aide-Memoire to handle public opinion in Japan and the world with great care.

The Secretary agreed with these last sentiments and said that he thought also that the Japanese should think in terms of hardening their position with respect to Communist China, because pressures to enter into negotiations with Communist China will be put on in turn.

Ambassador Tani recalled that he received in Tokyo a paper from Ambassador Allison upon instructions from the Department saying that the U.S. position was that we did not wish to interfere in the negotiations, but did expect Japan to respect the San Francisco treaty system, and that warning was given at that time to be careful about the implications for relations with Communist China. He could assure the Secretary that this had made a deep impression. The Ambassador recalled also that the Japanese Minister of Labor, Mr. Kuraishi, had given assurance to senior officers of the Department when he was here that Japan would not take steps toward closer relations with Communist China without first consulting with the U.S.[3] He felt, the Ambassador said, that this question in the long run was a more complicated and a more dangerous one.

The Secretary said that he believed that the normalization of relations was more important for the Soviet Union than for Japan. He could say the same things to his Japanese friends that he has had occasion to say to his German friends, that they did not yet realize their growing importance in the world because they have suffered defeat and had to work their way back. Japan should not be in a position of a suppliant. The Russians were anxious to establish diplomatic relations because it would give them through their Embassy Staff opportunities for infiltration and subversion. If, the Secretary said, you are going to allow them to come in to try to subvert you, you should make them pay a price for the privilege.

Ambassador Tani said that he agreed that subversion was very important in Soviet intentions and was convinced that it is important for Japan to strengthen its internal security. He referred to Mr. Kono's comments on this subject to the Secretary when he returned from Moscow.

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[3] See Document 81.

[Attachment]

ORAL POINTS [4]

(a) The Government of the United States has considered seriously whether a determination of the territorial questions could be assisted by an international conference of the interested powers, but has concluded that such a conference would not [conduce to a] *promote a desired* solution of the problem at this time.

(b) The information available to us does not permit a conclusion whether any further Soviet concessions would be made but our experience indicates that [only] patience and resoluteness can exact the final Soviet position. *We recognize that* Soviet strategic interest makes it unlikely that the Soviet Union will surrender control of Etorofu and Kunashiri, but this does not necessarily affect the possibility of a treaty formula by which Japan does not purport *itself* to relinquish sovereignty.

(c) It is not clear to us why the Soviet position on the availability of the Adenauer formula has *so* hardened and it appears possible that this is a bargaining device and that that door is not closed. Members of the Japanese delegation can probably judge this better, however, than we can. *I do not see myself that this would be very advantageous for Japan, but I am not sure.*

(d) The record of broken Soviet promises indicates that utmost caution should be exercised before assuming that Japan's desires on prisoners, United Nations admission, and fisheries would be met even if a treaty is concluded, *or, I might add, even if an Adenauer-type formula were adopted.* The United States regards Soviet actions on prisoners, United Nations admission, and fisheries as incompatible with the pretensions of the Soviet Union to friendship with Japan and believes they give ground for concern with respect to the manner in which the Soviet Union can be expected to conduct its future relations with Japan. *I have often pointed out that the Soviet Union promised to return prisoners of war in 1945, by adhering to the surrender terms, and if these promises were broken they might be broken again.*

(e) The United States desires to act in such a manner as Japan regards as helpful and is willing if the Japanese desire to make public its position as stated in the aide-mémoire. *In the meantime, we urge that decision on publication be carefully concerted and that there be no leakage until publication is agreed.*

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[4] As noted in the memorandum of conversation, the Secretary's changes and additions are indicated on the source text by brackets and underlining. The underlining is printed here as italics.

(f) In addition, the United States is willing, if the Japanese desire, to give diplomatic support to requests by Japan or other nations to make declarations along similar lines.

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103. Letter From the Deputy Secretary of Defense (Robertson) to the Secretary of State[1]

Washington, September 21, 1956.

DEAR MR. SECRETARY: Your letter of August 7, 1956,[2] and the series of messages from Ambassador Allison mentioned in your letter, have been studied with particular care and with a very sincere desire to develop a harmonious solution for the complex Ryukyuan land problem.

As regards the first of the numbered points in your letter, I am very happy to note that, in the meantime, our two Departments working together very closely have found a satisfactory formula which has already been transmitted by cable to the Commander in Chief, Far East, for his guidance.[3] This formula provides, on the one hand, for the acquisition of long-term interests by lump sum payments, but declares it advisable on the other hand to acquire such interests first to land under permanent facilities and to areas required for manifestly essential training or housekeeping purposes, while other land needed would be acquired at a later date. As has been specifically stated in the aforementioned message to CINCFE, this policy was expressly designed to permit gaining experience by executing the program first in connection with those areas whose acquisition should cause minimum difficulties.

I likewise believe that we are together in our views regarding additional land requirements. I agree wholeheartedly with the Price Report recommendation that acquisition of additional land by our forces in the Ryukyu Islands should be kept to an absolute minimum. In line with this recommendation, General Lemnitzer as early as July 17, 1956, directed an immediate over-all review of all military land requirements in the Islands. A recent Defense message to General Lemnitzer,[4] a copy of which was transmitted to the Department of

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[1] Source: Department of State, Central Files, 794C.0221/9–2156. Confidential.

[2] Document 86.

[3] See footnote 4, Document 88.

[4] Not further identified.

State, strongly re-emphasizes the fact, moreover, that any actions or recommendations by him minimizing land requirements are in consonance with Defense thinking.

Concerning the last of the three points set forth in your letter, I fully share your belief in the need to study most thoroughly the Ryukyuan aspects that might be involved in the projected change of our command structure in the Far East-Pacific area. I wish to assure you that this complex problem is being given careful attention and at this time it would be impossible to reach even a tentative conclusion on this subject before detailed studies of this problem in its various ramifications have been completed. You will be interested to know that in the forthcoming months there will be many conferences to discuss matters relative to the disestablishment of the existing command in the Far East and the assumption by CINCPAC of responsibility for the new command. The Department of State will be informed of the conclusions reached at these conferences.

Your suggestion that consideration be given to establishing direct communications on matters of civil administration between the administrative authorities in the Ryukyus and the Department of Defense in Washington is being studied. However, it is doubtful that a solution will be reached until the command channels have been determined at the aforementioned conferences.

I regret that I cannot agree with the suggestion that policy guidance on civil matters in the Ryukyus should be a joint responsibility, since this would be inconsistent with the President's Directive which assigns the responsibility to the Department of Defense. In addition, I feel that such an arrangement would encumber the actual administration of the Ryukyus to an inordinate extent. I appreciate the concern expressed by the Department of State because of the untimely release of the Price Committee Report which stimulated reversionist activities in Japan; however, I do not feel that this incident in any way casts a reflection on the administration of the Ryukyus during the past ten years, which I consider has been quite good when viewed in the light of the very real obstacles which confronted the local authorities during that period.

I am greatly encouraged by the progress made recently by our two Departments in finding solutions for some of these most difficult questions pertaining to the Ryukyuan land issue. I am confident, therefore, that the same rate of progress will also be maintained in the future.[5]

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[5] In a memorandum to Acting Secretary Murphy, October 6, Walter Robertson pointed out that deferral of a reply to this letter was advisable because "an interim reply might be misleading either in giving the impression that State is more satisfied than it actually is with the existing situation or in giving the impression that it is seriously dissatisfied and is merely awaiting a chance to renew the argument." Murphy approved this suggestion. (Department of State, Central Files, 749C.0221/9-2156)

Sincerely yours,

Reuben B. Robertson Jr.

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104. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, October 23, 1956—4 p.m.

939. US wire service and Japanese correspondents' assessments of Dept's reactions, as carried in press over weekend, tend stress dissatisfaction Japan's performance, apprehension re future.[2] Such reports, juxtaposed with Soviet comments, have ring of US diplomatic defeat, especially as reported reactions in other countries (except ROK) generally welcome restoration relations and hold Japan did as well as could be expected. Moreover, reported Departmental reactions may be construed as support for pro-Yoshida group efforts prevent ratification.

If opportunity arises during Secretary's press conference tomorrow,[3] believe useful to counterbalance largely negative tone of "unofficial" Washington comment reported here as well as underscore contrast US and Soviet policies toward Japan. Without endorsing agreement or specific provisions, Secretary might note agreement is step in direction US has long favored (along lines para 2 September 7 aide-mémoire).[4] Might observe territorial problem remains and (per last para aide-mémoire) US would regard Soviet recognition Japan's entry UN [*sic*], which we and others have so often sought.[5]

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[1] Source: Department of State, Central Files, 611.94/10–2356. Confidential; Priority.

[2] On October 19 in Moscow, Japan and the Soviet Union signed a Protocol on trade and a Joint Declaration which terminated the state of war between them and restored diplomatic relations. In the Declaration the Soviet Union undertook to support Japan's admission to the United Nations, to repatriate Japanese "war criminals," and to restore Habomai and Shikotan when agreement was reached on a peace treaty. Etorofu and Kunashiri were not mentioned. For text of the Declaration, see 263 UNTS 99; the Protocol is *ibid.*, 124. The Japanese-Soviet fishing and sea-rescue agreements, signed in Moscow on May 14, went into effect simultaneously with the Declaration. Ratifications were exchanged December 12.

[3] This press conference was not held. In his October 2 press conference, Dulles commented on the negotiations between Japan and the Soviet Union as follows: "I would prefer not to comment on the course that is being followed by the Japanese Government at the present time. It's primarily their problem and, so long as they work it out in ways which do not infringe upon our rights under the Japanese peace treaty, I think we must recognize and do recognize that they have freedom of action, freedom of choice. I don't know myself just what the solution will be or whether it will work, but I believe that they must be and are the masters of their own destiny in this respect." (Department of State *Bulletin*, October 15, 1956, p. 578)

[4] See Document 101.

Allison

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[5] At his daily briefing, October 24, Lincoln White, Acting Chief of the News Division, made the following statement in response to a question:

"The United States has for a long time felt that the state of war between Japan and the Soviet Union ought to be formally terminated. We have said this on several occasions, most recently on September 7 in an aide-mémoire to Japan. It is fitting that this has at last been accomplished.

"The United States considers Japan eminently qualified for UN membership and for the past several years has actively supported Japan's membership application.

"The terms of settlement were a matter of primary concern to Japan and the Soviet Union. Since they seem to have reached an understanding, we can only assume that the agreement is satisfactory to both governments, although we are sure that Japan regrets that its just claim to sovereignty over Etorofu and Kunashiri (the two southernmost Kurile islands) has not yet been recognized by the Soviet Union." (USIA Wireless File (Far East); Department of State, Central Files, 661.941/10–2456)

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105. Memorandum of a Conversation, Ministry of International Trade and Industry, Tokyo, December 19, 1956[1]

PARTICIPANTS

Tanzan Ishibashi, President of the Liberal-Democratic Party
Koh Chiba, Director, American-European Affairs Bureau, Foreign Office

Walter S. Robertson, Assistant Secretary of State
Outerbridge Horsey, Chargé d'Affaires, American Embassy
Richard H. Lamb, Second Secretary, American Embassy

SUBJECT

US–Japan Relations

Mr. Robertson called on Mr. Ishibashi at his office in the Ministry of International Trade and Industry on the afternoon of December 19. The conversation, which lasted for an hour and a half, was conducted in a cordial and friendly atmosphere.

Mr Robertson began by congratulating Mr. Ishibashi on his election to the Presidency of the Liberal-Democratic Party, and also extended his congratulations on Japan's admission to the United Nations, which the United States most heartily welcomed.[2] Japan had every right to be a member of the UN and would have a most important role to play. He believed that Japan with her experience and knowledge of Far Eastern affairs would be able to make a valuable contribution as a member of the organization.

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[1] Source: Department of State, Central Files, 611.94/12–1956. Confidential. Drafted by Lamb. Initialed by Robertson, indicating his approval.

[2] Approved by the Security Council on December 12.

Mr. Ishibashi said that Japan was fully aware of the assistance given by President Eisenhower and the American people in securing Japan's admission to the UN, and that America's assistance was deeply appreciated. Japan was now re-entering the family of nations and must assume new responsibilities. In doing so, Japan urgently needed the cooperation and assistance of the US. He believed that Japan with her intimate knowledge of Asian problems could be most helpful.

Mr. Robertson emphatically agreed with Mr. Ishibashi on the need for close cooperation between the United States and Japan and for diligence by both our countries in settling problems which may arise between them. Mr. Robertson pointed out that this was especially important since the Communist world, including the Chinese Communists as well as the Russians, was constantly seeking to disrupt US-Japan relations. Japan with fifty per cent of the industrial capacity of the Soviet Union was the Communists' primary goal in Asia, and in their efforts to win over Japan the Communists were constantly seeking to drive a wedge between Japan and the US.

Mr. Ishibashi indicated that he was in general agreement with Mr. Robertson's estimate of the situation, and that the Japanese people were aware of the Communist danger. Japan was determined to cooperate fully with the United States and recognized that she needed the assistance of the US in combating the Communist threat. It must be remembered however that Japan at present was in an unhealthy condition. One danger lay in the weakness of the Japanese economy, and it was imperative that the economy be strengthened. There were also a number of relatively small practical problems in US–Japan relations which if left unsolved could further weaken the structure of our relationship and give the infection a chance to grow. The great majority of the Japanese people have friendly feelings toward the United States and appreciate the assistance the US has given Japan; anti-American activities are the work of a small minority. However, there is the danger that anti-American elements will seize upon these small problems and build them into large ones. It is therefore essential that both countries exert all their efforts to settle these problems promptly. In doing so, Mr. Ishibashi emphasized that both countries must speak with absolute frankness; patience is also required. Mr. Ishibashi hoped that the US would "bear with" Japan in dealing with these problems. He asked that Mr. Robertson use his influence to obtain US understanding of the Japanese position in this regard.

Mr. Ishibashi went on to say that misunderstandings between our two countries often arise, and that it sometimes is very difficult to make the other side understand what one actually thinks. In his own case Mr. Ishibashi thought that one source of difficulty lay in his inability to speak English, although he reads English well and widely. Mr. Ishibashi thought that his inability to convey his views accurately in English had in large measure been responsible for his difficulties under the Occupation which led to his being purged and removed for several years from political life. He had been accused at the time of not cooperating with SCAP; actually however he had been doing his best to make SCAP's policies succeed. In the course of the conversation Mr. Ishibashi referred several times to misunderstandings that had arisen concerning him during the Occupation. He also stressed repeatedly his belief that cooperation between Japan and the United States must be based on complete frankness on the part of both countries.

Mr. Robertson agreed on the necessity for complete candor in our dealings and assured Mr. Ishibashi the US would welcome such an attitude on the part of Japan. Japan of course must expect the same degree of frankness regarding our problems on the part of the United States.

As an example of the specific problems potentially capable of causing serious difficulties between Japan and the United States, Mr. Ishibashi referred to US restrictions on the import of Japanese cotton textiles; he called particular attention to the proposed US tariff on velveteens, which he understood that Mr. Robertson had discussed with Acting Foreign Minister Takasaki. Mr. Ishibashi said that Japan was extremely anxious to settle the problem on the basis of voluntary restrictions, and he was confident that a mutually satisfactory agreement would soon be worked out. Meanwhile, he hoped that the US would take no action on the matter which might have a "catastrophic" effect on US-Japan relations and cause lasting harm. In this connection Mr. Ishibashi said that instructions were being sent to Foreign Minister Shigemitsu to raise the matter urgently in Washington. (Mr. Chiba displayed some confusion at this point. He indicated that there was some doubt as to whether any such instructions had been sent to Shigemitsu, or in fact whether Shigemitsu definitely was going to Washington—though perhaps there had been new instructions of which he was not aware.) In concluding his discussion of the textile problem Mr. Ishibashi said that the Government had been placed in a very difficult position and found it hard to defend American policy and to answer accusations in the Diet that the US, by restricting trade with China on one hand and limiting Japanese imports to the US on the other, was "placing the squeeze" on Japan.

Mr. Robertson said that with regard to the textile problem the State Department was completely in agreement with Mr. Ishibashi that the matter should be settled on the basis of voluntary restrictions of Japanese exports. Mr. Robertson and his colleagues in the Department would continue to make every effort to achieve a settlement on this basis. He understood that the Presidential decision on velveteen tariffs was scheduled to be announced on December 23, before his return to duty in the Department.[3] However, the Embassy would cable the Department reporting the Japanese Government's views on the matter. Mr. Robertson pointed out however that the cotton textile issue was a very difficult political problem in the US. It was not the total volume of Japanese cotton exports, which took up only a small portion of the American market, but the concentration in individual categories, e.g., velveteen, which constituted the chief difficulty. Mr. Robertson understood that Japanese velveteen exports had taken up as much as eighty-five per cent of the American market and forced the closing of many mills which were unable to meet Japanese competition. In many instances these mills constituted the only major industry of small towns and their closing had had disastrous effects on the local economies, arousing petitions of protest supported by the entire local population.

Mr. Ishibashi indicated that he could well understand the concern over the impact of foreign imports on domestic industry, since Japan had had somewhat similar experiences in the case of the sewing machine industry.

In discussing the impact on the US economy of Japanese textile imports, Mr. Robertson added parenthetically that he hoped arrangements could be worked out sometime in the future for Mr. Ishibashi to visit the United States, and he indicated that a visit by Mr. Ishibashi would be most welcome.

Mr. Robertson then explained fully to Mr. Ishibashi the policy of the United States regarding trade with Communist China and the reasons therefor. He pointed out that international communism is still bent on world domination, as events in Eastern Europe and Asia clearly indicate. Communist China is still branded by the UN as an aggressor, is still in a state of war with the UN in Korea, has refused to renounce the use of force in the Taiwan Straits, and is building up its forces in North Vietnam; there is no indication that the Communists are prepared to "peacefully co-exist" with the West. In building up her vast war machine Communist China urgently needs imports from the West. It is the policy of the United States to make the build-up of this war potential as difficult as possible. This policy is in the interest not only of the US but of other nations of the Free World, including Japan, and, carrying as it does the main burden of military security, the US believes that it can without apology ask the cooperation of other nations in restricting trade. Mr. Robertson warned that there was a danger that the long term security of all Asia might be jeopardized in return for small and short term trade benefits.

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[3] The President announced his decision on January 22; see Document 109.

Mr. Ishibashi referred to the difference between the levels of CHINCOM and COCOM restrictions. As a result of these differences, though direct trade between Japan and Communist China in strategic items was blocked, Western European countries were shipping substantial quantities of the restricted items to China through the Soviet Union and the satellite countries. Mr. Ishibashi thought there were certain "inconsistencies" in the situation.

In reply Mr. Robertson carefully explained the reasons for the difference between CHINCOM and COCOM levels. He admitted that under this system some strategic goods did slip through to Communist China. However, the amounts were limited in quantity, and the delays and increased costs involved in obtaining materials through this indirect route severely handicapped the Chinese Communists in building up their war machine.

Mr. Ishibashi said that the Japanese Government does not disagree with the general policy of the United States and the Free World regarding trade with Communist China. However, the US must recognize that the Japanese economic position is a precarious one, and that Japan's life depends upon foreign trade. He again referred to the widespread feeling among the Japanese people that Japan's trade in both directions—with the United States and Communist China—was being restricted unreasonably and stressed the difficulties which this raised for the Government.

Mr. Robertson said it was important not only that our two Governments understand the problem but that the people be made to understand it as well and to realize that their very freedom is at stake. He said we too had domestic political problems in this field, and that American businessmen would also like to trade with Communist China.

Mr. Ishibashi agreed on the need to enlighten the public concerning these matters. He believed, for example, that it was most important for the Japanese people to understand that Japan's defense efforts were not for the benefit of the US but were necessary for the defense of Japan itself. Japan would welcome any suggestions from the United States which might help to improve public understanding of our mutual problems. In this connection he pointed out that Japan was actively seeking to develop markets and expand investments in Latin America and in Southeast Asia. US assistance in developing these markets would be greatly appreciated by both the Japanese Government and the Japanese people. Among other things Mr. Ishibashi thought that positive US assistance in this regard would greatly improve Japanese popular attitudes toward the US and would help turn attention away from the problem of trade with Communist China.

Mr. Robertson said that the US was acutely aware of Japan's need to develop markets for her exports and would continue as she had in the past to assist Japan in every way in developing these markets.

As the meeting ended Mr. Robertson said he was looking forward to working closely with Mr. Ishibashi and the Japanese Government, and was confident that we would be able to work out our problems together. Mr. Ishibashi expressed similar sentiments.

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106. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State[1]

Washington, January 7, 1957.

SUBJECT

Our Japan Policy: Need for a Reappraisal and Certain Immediate Actions

Discussion

Japan is one of the three major countries in Asia and the Western Pacific. Indonesia has a major potential but does not constitute a political force comparable to that of Japan, India and Red China. Japan is the only one with which we have any immediate prospect of building lasting and close ties which would serve the vital strategic and political interests of the United States.

The strategic value to the United States of Japan as a close friend and ally is tremendous, and our entire strategic position in the Western Pacific is anchored on Japan. If Japan should evolve into a neutralist or uncommitted state, the problem of United States security would be made infinitely greater and more costly. But in addition to Japan's strategic importance, her potential usefulness in the non-military aspects of the world struggle is just as great and is likely to increase as the struggle for uncommitted Asia and Africa develops. We therefore need Japan as a friend and ally.

Japan has moved ahead rapidly since the Peace Treaty, and the basis upon which our present relationship was established has radically altered since the signature of that Treaty. Japan is now economically prosperous, diplomatically integrated, and stands at the crossroads in the development of its foreign policy. There are growing indications everywhere that the Japanese, who in the period since their defeat have "rated well back off the pace" in terms of foreign policy and who have been content to follow the lead of the United States, are now feeling that they must assert and express their "independence". It is clear that in the immediate and near future they are going to make decisions which will vitally affect our interests. There are indications that Japan will increasingly associate itself with the Afro-Asian bloc in the United Nations in the hope of becoming a leader in this grouping. It has already evidenced a strong independent policy in the United Nations by backing Kuriyama for a seat in the International Court of Justice in opposition to our support for Wellington Koo.[2] It has resumed diplomatic relations with the Soviet Union and is cultivating broader economic and social ties with Red China.

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[1] Source: Department of State, Central Files, 611.94/1–757. Secret. Drafted on January 4 by Martin and Douglas MacArthur.

There are also increasing signs of Japanese discontent with its present role and status, and particularly with its relations with the United States. There are repeated and increasing statements by the Japanese leaders, still in fairly muted tones, that the Security Treaty must be revised and United States military facilities reduced. These signs of discontent are still subtle and under control, but if they break out into the open it will be too late to influence Japan's policies in a direction which best serves the interests of the United States. If we do not recognize the ground swell which is taking place in Japan and prepare to make inevitable adjustments in time to derive maximum benefit from such adjustments, events will overtake us, force our hand and sour the outcome.

In other words, seeing clearly the current that is flowing strongly in Japan as we do, we should now place ourselves in the position to take the initiative at the appropriate moment, in making essential adjustments with Japan rather than permit the situation to deteriorate and become an inflamed domestic political issue to the point that any proposals of ours which might now appear to be reasonable would later be rejected out of hand by the Japanese. We must foster a greater mutuality in Japanese-American relations and make our readjustments, including certain concessions, on a timely basis which will tend to increase the prestige of the Conservative government and reverse the Socialist trend, which is essentially neutralist and to an extent anti-American.

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[2] V. K. Wellington Koo was Ambassador of the Republic of China to the United States, 1946–1956. During 1957 Koo was chosen by the General Assembly to complete the term of Justice Tsu Mo, who had died. In 1958 Koo was elected to a full 9-year term.

In Japanese-American relations there are a number of vexing problems, some of which we can move on rapidly and others which are longer of term and will require further urgent consideration by our Government. These issues include: war criminals; the Bonin Islands; Okinawa and the Ryukyus; the present unmutual "Security Treaty" which we have with Japan; the problem of United States military bases and installations; and Japanese relations with Communist China.

But, if we are to solve the longer term problems, immediate steps should be taken to work out with the Japanese in the next two-to-three months solutions of at least two issues—War Criminals, and the Bonin Islands—which are emotional issues in Japan and which, if a reasonable solution were arrived at, would create the necessary friendly atmosphere of mutual cooperation essential to solve the longer term and much more serious issues.

If Ambassador MacArthur[3] and Prime Minister Ishibashi[4] could appear to have worked out a mutually satisfactory solution to the war criminals and Bonin Island problems early within their respective tenures (possibly within two-to-three months' time), the essential elements of confidence and cooperation would be laid for dealing with problems which are of more fundamental importance from the United States point of view. Such a procedure should encourage the Japanese Government to keep the lid on the more difficult issues looking toward eventual discussions and solutions. There would be a credit of good will to draw upon.

I think we must recognize that if we do not take the initiative in moving in this direction, we run the gravest risk of a deterioration of relations between Japan and the United States. We risk seeing all the unrelated contentious issues coming together in a focal point of hostility in the Japanese mind resulting in domestic Japanese convulsions impairing permanently our future relations with Japan. In other words, if we do not act in timely fashion to meet the evolutionary changes occurring in Japan which we now see clearly, we risk finding ourselves in the same position in which the British, and particularly the French, have found themselves in their relations with various Asian and African countries.

Proposed Course of Action

1. Reach within the U.S. Government within the next three weeks a reasonable solution of the War Criminals problem which could be

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[3] Allison left Japan on February 2. MacArthur, whose designation as his successor had been announced in December, was appointed on January 29 and presented his credentials on February 25.

[4] Tanzan Ishibashi became Prime Minister on December 23, 1956.

put to the Japanese in the next two or three months. Attached (Tab A)[5] is a solution proposed by FE but about the details of which Mr. Phleger has some reservations.

2. Permit at least the 2,639 exiled *Bonin Islanders,* which Japan has been unable to absorb, to return to the Islands. (Tab B)[6]

3. Solving these two grievances of the Japanese promptly and generously will buy us some time to develop solutions on our own initiative to the following problems which are so serious and urgent that study upon them must be begun in earnest by this Government:

a. *The status of the Ryukyu Islands* is one which provides constant disharmony between ourselves and the Japanese, and ultimately a solution must be found. One solution that warrants study would include the reversion of the Islands to Japan, with the extension of long-term base rights to the United States. In any event, what appears necessary for the long-range is for us to proceed on a US Eyes Only basis with a review of the problem, aimed at recommendation for suitable resolution thereof. It also appears desirable to discuss with Defense the feasibility of establishing, possibly as an interim measure, a civilian form of government in the Ryukyus; I have sent you a separate memorandum on this matter already.[7]

b. There should be a review of our *security relations with Japan,* possibly under Presidential directive, involving discussions between State and Defense with a view to determining minimum objectives and placing our security arrangements with Japan on a durable basis of mutuality and self-interest rather than the present one-sided arrangement. This would involve some concessions by us, but such concessions would be well worthwhile if the result were to create a durable association for political and military cooperation and if Japan's responsibilities for collective defense were clearly engaged.

c. There should be a study within the Department of State of the extent to which we can and should go in lending support of Japan in its effort to establish *leadership in the Afro-Asian bloc* in the world at large and in its activities in the United Nations.

Summary:

We could, of course, do nothing and simply try to hang on to what we have, giving up bit-by-bit under pressure, but such a course is inevitably doomed to failure over a period of time, and we risk losing not only our military facilities but also permanently alienating the Japanese, losing their friendship and cooperation in all fields and encouraging them in a neutralist direction.

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[5] Tab A, an undated draft memorandum for Robertson to send to the Secretary, is not printed. It contained a proposal, requiring Presidential approval, that would have resulted in parole for all Japanese war criminals who had served either one-third of their sentences or who had been imprisoned for 10 years, whichever was less. Later documentation indicates that this proposal was not adopted. See Document 116.

[6] Not found attached or in Department of State files.

[7] See footnote 1, *infra.*

Recomendation:

That we have a meeting with you early next week to discuss this paper and particularly the war criminals and the Bonin Islands. Mr. Phleger would be one of those present.[8]

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[8] Dulles initialed his approval on the source text, which indicates the meeting was to be held on January 16 at 2:30 p.m. Dulles' appointment book verifies that the meeting was held as scheduled and that MacArthur, Robertson, Bowie, Parsons, and several other officials were present. However, no memorandum of the discussion has been found in Department of State files.

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107. Letter From the Secretary of State to the Secretary of Defense (Wilson)[1]

Washington, January 8, 1957.

DEAR MR. SECRETARY: In the light of recent developments, I am concerned that the present United States administration of the Ryukyu Islands may in the near future present us with serious problems in the conduct of our foreign affairs which may in turn jeopardize the retention of United States military bases in the islands. As you know, during the past summer there was general, organized opposition in the Ryukyus to the recommendations of the Price Committee Report of such serious nature that the implementation of these recommendations was postponed for further consideration. Although they were directly precipitated by dissatisfaction with the planned land acquisition program, the disturbances were symptomatic of more general discontent with conditions of administration amounting to continued military occupation. The discontent led to increased local pressures favoring reversion to Japan and these pressures in turn stimulated

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[1] Source: Department of State, Central Files, 794C.0221/1–857. Secret. Drafted in NA on January 2. Forwarded to Dulles as an attachment to a memorandum from Robertson, in which Robertson pointed out that a study conducted in the Department, whose recommendations had been concurred in by Consul General John M. Steeves in Naha, had concluded that "political and economic reforms in the Ryukyus may best be accomplished under a civilian administration not responsible to the military command. This civilian administration, conducted with due regard for the interests of Japan, would provide a maximum of political protection for United States security and other interests in the Ryukyus and Japan." The memorandum concluded that "continued military administration cannot, by its very nature, resolve the problems which now confront us." Steeves' views are in despatch 18 from Naha, October 23, 1956. (*Ibid.*, 794C.02/10–2356) No copy of the study referred to by Robertson has been found in Department of State files.

Japanese irredentist sentiment. A revival of this interplay between the Ryukyus and Japan in the future could present us with diplomatic problems of major importance.

Moreover, through accession to the United Nations, close working relations with the Afro-Asian bloc and resumption of formal relations with the USSR, Japan will be in a position to attempt to internationalize the dispute and appeal to the United Nations. Groups of Okinawans in Japan have already petitioned the Soviet Union and other UN member nations to support the reversion of the Ryukyu Islands to Japan. The spectacle of Communist or Asian agitation and support for an international inquiry into the "colonial" administration of the islands must be viewed as a definite likelihood.

It is evident, of course, that a favorable local climate is essential to achieve United States objectives in the Ryukyus since hostility of the local population would largely negate the utility of military bases. Opposition in the area would inevitably affect Japanese attitudes toward the United States, particularly with regard to United States bases in Japan. I do not believe that we are immediately confronted with any situation of critical proportions, but am convinced that we have entered a new stage in the administration of the Ryukyu Islands where it is necessary to make modifications or else incur a growing hostility that may endanger our diplomatic and military position in the Far East. An informal but public resolution by Democratic members of the Ryukyuan Legislature on December 19 calling for reversion points up the urgency of the problem.

In view of these factors, I suggest that we establish a joint working group composed of representatives of our Departments to review the present administration of the Ryukyu Islands and make such recommendations for change or modification as may be indicated. The present change-over in area command responsibilities from CINCFE to CINCPAC makes this a particularly propitious moment to consider this question. I do not mean to imply in any sense that the past administration of the Ryukyus has been mismanaged, for I believe under the circumstances it has been well handled, but rather that it appears necessary at this time to take some judicious and timely steps in the direction of local government lest we jeopardize our long-term essential requirements in the islands. I believe the promulgation of the proposed Executive Order on the Civil Administration of the Ryukyus should be delayed pending the formulation, submission, and consideration of the recommendations of this working group.[2]

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[2] In a January 23 reply to Dulles, Gordon Gray wrote: "The Department of Defense does not at this time agree that any change or modification in present arrangements is necessary or indicated. We would, of course, be glad to consider any aspects of the matter that the Department of State wishes to offer." Gray designated B. A. Robbins,

Continued

Sincerely yours,

John Foster Dulles[3]

Director, Far East Region, ISA, to meet with any Department official for this purpose. (*Ibid.*, 794C.0221/1–2357)

In a January 28 letter to Horsey, Parsons indicated that the January 8 letter had gone forward "although Mr. Murphy was not convinced that a civilian administration is the answer. Since then we have learned from our contacts across the Potomac that the idea of a civilian administration has gained a certain amount of support, particularly in OSD/ISA." (*Ibid.*, 794C.0221/12–2756)

[3] Printed from a copy that bears this stamped signature.

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108. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, January 16, 1957—5 p.m.

1543. I paid my first call on Prime Minister Ishibashi this morning since my return. Fact that I was going to call was prominently played up in local press with "dope" stories to effect that I was going to discuss with him defense budget. As usual Japanese press presumably on basis of guidance from government officials, if not official government guidance, has portrayed United States as interfering in Japan's defense budget preparations. This has been continued today as *Kyodo* publishes substantially accurate account of my talk with Ishibashi which I had understood was confidential.

During this morning's conversation I told Ishibashi that formation of Japan's defense budget was matter for Japanese to decide but that in making their decision I hoped Japanese would bear in mind certain considerations. I then pointed out if press reports were accurate and Japan's defense budget would be no larger than last year's this could only raise questions in minds of American government and Congress as to true intentions of Japan. I stated that now that Japan had become member of United Nations it had been hope of all of us that she would take larger part in international affairs and be influential factor for peace. However, I did not believe it possible for nation to carry great weight in international councils if it continued to depend primarily on another nation for its self defense. At this point I stated specifically that I was speaking personally and most frankly and that I would not wish to say these same things publicly. Nevertheless I am quoted in

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[1] Source: Department of State, Central Files, 794.5/1–1657. Confidential.

Japanese press this afternoon as setting forth these ideas. Ishibashi is notoriously given to press leaks and in previous government he was often said to be source of embarrassing news stories.

I told Ishibashi that our concern was not so much in form of Japan's defense budget as in substance. What is important is that there be no backward step in gradual increase in Japan's defense efforts. Ishibashi said he quite agreed and it was his firm intention that there should be gradual increase. However primarily for political reasons it would be impossible in present budget to provide for contemplated increase of 10,000 men in ground forces although requested personnel increases in air and sea forces would be granted. Ishibashi claimed that 10,000 man increase would be provided for in next year's budget which because of difference in fiscal year periods would mean that this increase would take place during United States fiscal year 1958, only few months behind what would be case if it were provided for in this year's Japanese fiscal year budget.

Prime Minister was most friendly but also apparently most determined that there be no substantial increase this year in defense budget. He said that increase in contract authorizations and twenty billion yen carry-over from last year's budget would in fact mean there would be increase in actual defense expenditures over previous year.

Far East Command and Embassy representatives are meeting with Japanese representatives this afternoon to endeavor determine whether or not actual increase in defense expenditure will be greater if Japanese carry out their present plans.

Report on this meeting will be forwarded separately.[2]

Allison

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[2] A report on this meeting is in telegram 1546 from Tokyo, January 16. The report does not include any attempt to answer the question posed in the preceding paragraph. For subsequent developments, see Document 110.

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109. Minutes of the Cabinet Meeting, White House, Washington, January 18, 1957, 9–10:50 a.m.[1]

[Here follow a list of attendees and discussion of unrelated matters.]

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[1] Source: Eisenhower Library, Whitman File, Cabinet Papers. Confidential. Drafted by Minnich.

Foreign Trade—Sec. Weeks set forth the main provisions of the Japanese Textile Agreement[2] and noted how it would help segments of the textile industry that had been hurt recently by Japanese imports. He recounted the meeting that Asst. Sec. McClellan[3] and he had had with directors of the American Cotton Manufacturers Institute, informing them of the agreement and also serving notice that they should not look toward further escape clause relief. Also, the Institute members were urged to work for the removal of State laws discriminating against the Japanese.[4] Subsequently, the Institute directors passed a resolution very favorable toward the Administration action.

The President was delighted to have this report. Sec. Dulles commented that had the negotiations broken down the Japanese would almost assuredly have begun to develop closer relations with Communist China. In response to a query from Sec. Wilson, Secs. Weeks and Dulles stated that the agreement can be reopened to further negotiation should basic conditions change.

Sec. Weeks informed the President that he would soon receive a unanimous recommendation to disapprove the velveteen recommendations made by the Tariff Commission.[5] He noted also that the textile industry is withdrawing its request for a tariff study concerning gingham.

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[2] Reference is to an undertaking by Japan to limit its export to the United States of a number of different types of cotton textiles. The undertaking is contained in the Japanese Embassy's note, January 16, and an attached descriptive statement, filed with William Ockey's memorandum of a conversation held January 16. (Department of State, Central Files, 411.946/1–1657) Main provisions of the program are outlined in a Department of State press release issued on January 16, printed in Department of State *Bulletin*, February 11, 1957, p. 218.

Negotiations leading up to the Japanese undertaking were conducted principally in Washington through the Japanese Embassy. On the U.S. side, officials of the Departments of State, Commerce, and Agriculture were all involved directly in the negotiations. White House representatives included Sherman Adams, Assistant to the President, and Gabriel Hauge, a Special Assistant to the President. U.S. officials consulted industry representatives and interested Congressmen in formulating the U.S. position.

Documentation on the negotiations is in Department of State, Central Files 411.9441, 411.946, and 411.949, and *ibid.*, International Trade Files: Lot 76 D 75, and Secretary's Staff Meetings: Lot 63 D 75. Other pertinent material is in Eisenhower Library, Council on Foreign Economic Policy Records. For an evaluation of the effect of the Japanese undertaking after it had been in operation for several months, see a report by Herbert Blackman of the Department of Commerce, July 12, 1957, vol. IX, p. 253.

[3] Harold C. McClellan, Assistant Secretary of Commerce for International Affairs.

[4] For a description of these laws and an assessment of the efforts made by the Federal government to bring about their repeal, see the memorandum of conversation, August 2, 1957, vol. IX, p. 260.

[5] On January 22, the President announced that in view of the recent Japanese undertaking to control its textile exports to the United States, he was not taking action on the Tariff Commission's recommendation of October 24, 1956, to apply the escape clause on imports of cotton-velveteen fabrics. For text of the White House press release, January 22, see Department of State *Bulletin*, February 11, 1957, p. 219.

Mr. Weeks cited the advantage that Japan had obtained from this agreement by way of strengthening its negotiating position with other nations.

[Here follows discussion of unrelated matters.]

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110. Memorandum From the Deputy Director of the Office of Northeast Asian Affairs (Ockey) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, January 19, 1957.

SUBJECT

Japanese Defense Negotiations

Ambassador Allison and General Lemnitzer have urgently requested authorization (Tab B)[2] to concur in the application of the general formula arrived at in the negotiations last year on the basis of the revised proposal made by the Japanese in the negotiations presently in progress. Acceptance of this proposal will result in the following Japanese defense appropriations for JFY 57 as compared with the appropriations for JFY 56 (in billions of yen):

	JFY 56	*JFY 57*
Defense Agency	100.2	101.0
Facilities for US forces	10.5	10.5
*Contribution to USFJ	30.0	29.6

*The general formula provides that the yen contribution to USFJ for each fiscal year, beginning in 1957, will be that for the previous fiscal year reduced by an amount equivalent to one-half of the increase in the appropriation for defense purposes (i.e. Defense Agency and facilities) over that for the previous fiscal year.

In addition to the cash appropriations indicated above, the Japanese will increase the contract authorization for JFY 57 to 23 billion yen (16.5 billion yen in JFY 56). The Japanese have also given official assurance that the entire carry-over from JFY 56, estimated at 23½ billion yen, will be reappropriated and expended for JFY 56 programs as planned.

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[1] Source: Department of State, Central Files, 794.5/1–1957. Confidential.

[2] Not found attached and not otherwise described. Almost certainly, however, it included telegram 1566 from Tokyo, January 18, which contained joint Embassy–FEC recommendations on the defense budget. (*Ibid.*, 794.5–MSP/1–1857)

In the present negotiations, U.S. military representatives have expressed disappointment on a technical basis with the revised defense proposals and have pointed out that the Six Year Plan, at best minimal and austere, will be further weakened by this revised budgetary action. In response, the Japanese indicated that the revised proposals resulted from political decisions of the highest government and party leaders. By limiting cash appropriations for the Defense Agency to an amount that can be disbursed in the fiscal year, the large annual carry-over will be eliminated, which will serve to counter the impression held by the general public that the Defense Agency is wasting money and receiving funds in excess of its requirements. The personnel augmentation of 10,000 men in the Ground Self-Defense Force, planned in the initial budget (127.6 billion yen) for the fourth quarter of JFY 57, will be deferred until the first quarter of JFY 58.

The Embassy and the Command have concluded that the Japanese revised budget is in reasonable compliance with the April 1956 agreement. Although the defense build-up is not as substantial as we would like, there is little that can be accomplished by objecting and any nominal increase would be gained at the expense of losing the advantage which follows from this year's defense budget being purely a Japanese responsibility.

Recommendation:

That you sign the attached telegram (Tab A)[3] authorizing concurrence in the Japanese revised proposal.

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[3] Not found attached, but sent as telegram 1537 to Tokyo, January 19. (*Ibid.*, 794.5/1–1957)

111. Telegram From the Commander in Chief, Far East (Ridgway), to the Department of the Army[1]

Tokyo, January 21, 1957—4:55 p.m.

FE 803784. Reference: A. FE 803364, 080325Z Dec 56. B. FE 803738, 161255Z Jan 57. C. FE 803740, 170500Z Jan 57. D. FE 803764, 181030Z Jan 57.[2] E. State Dept msg, Tokyo 1537, 19 Jan 57.[3]

Subject: Annual Japanese defense review for JFY 57.

1. Third and final meeting, US-Japanese defense review, held 20 Jan at vice-ministerial level.

2. Japanese representatives were informed of US concurrence in application of the formula agreed upon in exchange of notes 25 Apr 56 in arriving at the amount of yen contribution Japan is to make in support of US forces in Japan for JFY 57, pursuant to Article XXV 2(B) of the Administrative Agreement. Based on a final cash appropriations figure of 111.5 billion yen, (101 billion yen for JDA and 10.5 billion yen for US facilities) as compared with 110.7 billion yen appropriated for JFY 56, the amount of this contribution will be 29.6 billion yen for JFY 57. These figures are subject to final Japanese Government action.

3. The following points were reemphasized:

a. The US Government view that it is completely within the province of the Japanese Government to determine the size of its own defense budget.

b. That we have in no way encroached upon that responsibility or prerogative.

c. That we have a deep interest in the defense build-up of Japan, which stems from a real identity of national interests.

d. US disappointment with the revised defense proposals, which indicate a slowdown in Japanese defense efforts, and further weaken the six-year plan, which is at best minimal and austere.

e. US belief that Japan, while reaffirming its commitment for continued defense buildup and support of the six-year plan, has given predominant consideration to other than military factors in developing the defense budget for JFY 57.

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[1] Source: Department of State, Central Files, 794.5-MSP/1-2157. Confidential; Priority. Repeated to the Department of State, CINCPAC, the Embassy in Tokyo, and the MAAG in Japan. The source text is the Department of State copy.

[2] References A through D not found.

[3] See footnote 3, *supra*.

4. Deficiencies noted in the Japanese defense budget, as brought out by discussions at technical levels, and in studies of figures and explanations received, were reviewed. An analysis of these deficiencies will be furnished when the detailed budget is provided JDA and after further conferences between the JDA and MAAG–Japan.

5. In response, Japanese representatives reiterated necessity for improvement political atmosphere and public support as a basis for more acceptable defense efforts in the future, stating that this can best be accomplished by eliminating the carry-over and holding the cash appropriation to amounts which can actually be spent by the defense agency within the fiscal year. Attempted to show that funds are being made available in sufficient amount to support the policy of continued build-up and basic requirements of the six-year plan.

6. US side indicated requirement for careful planning to assure coordination in matching Japanese defense effort with military aid being made available by US.

7. Press release agreed upon. Press comment following the meeting appears, so far, to be generally factual.

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112. Letter From the Minister in Japan (Horsey) to the Director of the Office of Northeast Asian Affairs (Parsons)[1]

Tokyo, January 22, 1957.

DEAR HOWARD: The enclosed papers[2] will supplement, for the present until we can make a more detailed report by despatch, the cables on the defense share negotiations.

The comments in the stories from Washington on the reaction there have been most helpful and pitched exactly right. To try to assess the gains and losses, certainly there is a slow down in the defense program, but it is useless to hammer them over the head for the sake of getting the appearance of a slightly increased program. If they have not got the will to step it up we shall have to wait until they do. The prime Japanese argument is that the elimination of the carry-over and the "qualitative" approach, i.e., postponing the 10,000 man increase in the ground forces, are essential to gain the confidence of the people in the defense effort. We are not sure how much there is to this argument since the Government has made very little attempt in the past year or two to gain the confidence of the people for the defense build-up. We shall, in any case, have to wait until after the elections to see what course they take. On the positive side, there is the important dividend, foreseen in the nature of the agreement made last year, that this year it is *their* budget and not something forced on them by the U.S. There is growing recognition of this result and even a little bewilderment. Some of the Japanese press are still under the weight of the old attitudes. We understand the Socialists are dismayed at seeing such a hardy perennial in the way of issues on which to criticize the Government taken away from them.

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[1] Source: Department of State, Central Files, 794.5/1–2257. Confidential; Official–Informal.

[2] Not found.

MAAG is studying the revised program to see whether it will mean a slow down or postponement in the delivery of equipment included in the 1957 MDA program and we shall report on this aspect in due course.

Once again let me thank you for your prompt replies to our cables.

With all best wishes.

Very sincerely yours,

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113. Memorandum From the Director of the Office of Northeast Asian Affairs (Parsons) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, January 24, 1957.

SUBJECT

Meeting with the Secretary on Japanese Security Arrangements[2]

For your background information in connection with the meeting with the Secretary tomorrow on Japanese security arrangements, I quote below pertinent portions of a recent despatch from Embassy Tokyo (No. 221 of September 7, 1956)[3] commenting on the reliability of Japan as an ally during time of war:

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[1] Source: Department of State, Central Files, 794.5/1–2457. Secret.

[2] This meeting apparently was not held, as no memorandum of it has been found and there is no mention of it in the Secretary's appointment book.

[3] Entitled "U.S. Policies Designed To Assist Japan's Defense Industries", not printed. (Department of State, Central Files, 611.94/9–756)

"In the event of limited or localized hostilities, it is uncertain that Japan, in view of its present political attitudes, would permit the United States to use Japanese soil as a staging area and base of operations. This was done during the hostilities in Korea, but at that time Japan was an occupied country. Today as a sovereign nation, Japan has failed to develop its runways, has been reluctant to provide training areas, has protested the use of firing ranges, has trembled at the introduction of the 'Honest John' rocket, has indicated lack of concurrence in the storage in Japan of atomic war heads, and has failed to provide for the adequate development of its own forces. Fear of involvement might cause Japan to deny the use of its facilities to the United States. In its present temper, it would certainly be a reluctant ally whose lack of cooperation, already demonstrated in time of peace, would greatly reduce its effectiveness.

"In the event of a world conflict, the problem of supplying Japan, assuming it were a fully cooperative ally, would be one of very great magnitude. Food, cotton, wool, petroleum, iron ore and coking coal alone would amount to a minimum of 20 million tons of imports annually. Despite Japan's large maritime fleet, shipping and convoy requirements would be enormous. Whether under such circumstances, Japan could be maintained as a dependable source of munitions appears open to question. Industrial capacity, if it could not be adequately provided with requisite raw materials, would be of little assistance to American forces. Moreover, with the present political climate, Japan in the event of a world conflict might seek to remain neutral to profit by trade wherever it could be found. Japanese recall that their country emerged from World War I as a major power, and they contrast that position with the results of World War II."[4]

The despatch under reference is in support of the thesis that, in view of Japan's strategic vulnerability, the United States should not depend upon Japan as a trustworthy source of munitions to satisfy either direct or indirect requirements of the United States in the event of hostilities. The despatch emphasizes that in pointing out the danger of over reliance upon Japan in time of hostilities, it is not intended to underplay the value to the free world of a strong non-Communist Japan, even if not allied to or dependent upon the United States.

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[4] The following handwritten comment by Robertson appears in the margin next to the two quoted paragraphs: "In my opinion much of this can be solved by telling and effective diplomacy. The Japanese are not yet convinced that the U.S. is a dependable ally, or that we are consistent in our policies. Their nightmare is to get out in front and then have the U.S. abruptly change its policy, e.g., by recognizing Red China. WSR"

114. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, January 26, 1957—Noon.

1626. Deptels 1525[2] and 1526.[3] Release January 18 State–Defense denial quieted for moment Japanese press speculation on atomic task force. However, it was resumed following UP January 23 despatch from Washington stating that, according to authoritative sources, stationing of atomic task forces in Japan probably to be discussed at high level US-Japanese talks during Ishibashi Kishi visit in May. (Chief Cabinet secretary commented to press GOJ knew nothing about such intent of USG and had taken no steps on visit.) UP story attibutes lack of final US decision on atomic task force to differences between State and Defense; while "military officials" contend they should be permitted defend with "smaller atomic weapons". State Department "is opposed to sending task force to Japan at least at this time."

AP Washington January 24 story apparently based on discussion with "US defense officials" puts matter in better perspective by taking account of Japanese opinion and control over decision but nevertheless serves to keep issue alive.

Initially Japanese had tended scoff at Soviet threat and Cabinet Secretary had labeled it "bluff" and denied Japan supplying atomic bases to US. Combined with repetition of Soviet threat of retaliatory Soviet atomic attacks on US bases in Japan, net effect of press discussion will now be to harden attitudes and still further postpone time when really profitable discussion of these issues could be held with GOJ. Trust that press discussion of issue can now be closed off.

Problem further complicated by informal Foreign Office inquiry at "working level" on State–Defense release just prior to publication UP story. Inquiry ostensibly motivated by desire prepare for anticipated Diet inquiries on staging atomic task force in Japan, but nature of questions suggests that Foreign Office testing our willingness actually consult on this matter. Four specific questions were raised: (1) what are actual US plans with respect First Cavalry withdrawal and deployment atomic units to Japan; (2) does US intend full consultation as press release states or in fact continuation past practice of providing GOJ with "advance information"; (3) does US statement mean we now willing give assurance of advance consultation on storage of atomic weapons. Foreign Office official referred in this connection to position taken confidentially by Embassy in June 1955 that no "mutual understanding"—as claimed publicly by Shigemitsu—existed on advance consultations on nuclear storage. He anticipated Kishi would be pressed by Diet to confirm this "understanding"; (4) how are atomic task forces organized.

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[1] Source: Department of State, Central Files, 794.5/1-2657. Secret; Priority; Limit Distribution.

[2] Telegram 1525 to Tokyo, January 18, alerted the Embassy to the release of the press statement quoted in footnote 3 below. (*Ibid.*, 794.5-MSP/1-1857)

[3] Telegram 1526 to Tokyo, January 18, contained the following joint State–Defense announcement released that day: "In the past several days there have been a number of press reports, attributed to sources in the Department of Defense, concerning the withdrawal of the First Cavalry Division from Japan and the possible assignment of an Atomic Task Force to Japan. These reports are wholly speculative. No decisions of this character have been made. The continuing Communist threat to peace and security in the Far East necessitates the most careful consideration of free world defense requirements in that area. In the future, as in the past, United States Government decisions regarding troop dispositions in Japan will only follow careful study and evaluation and will only be made after full consultation with the Japanese Government." (*Ibid.*, 794.5/1-1857)

AP story noted above attributes to "authoritative sources" statement that "whole policy" on placing atomic weapons in Japan "rests with the Japanese for a decision". This is of course not a direct statement of official US policy but it goes considerably further than we have yet gone officially and it may make difficult if not impossible adherence to our 1955 position.

While recognizing difficulties posed by Foreign Office questions, we would appreciate guidance on what may be said to Foreign Office at this time.[4]

Allison

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[4] The Department, in telegram 1590 to Tokyo, January 28, replied that it had no knowledge of the UP and AP stories described by the Embassy, which had apparently not been carried in U.S. newspapers nor been officially inspired. The Embassy was advised to tell the Foreign Office that the press release spoke for itself and should be cited without interpretation in response to any inquiries in the Diet. Concerning the organization of the "atomic task forces", the Department was seeking information from the Department of Defense. (*Ibid.*, 794.5/1–2657)

115. Memorandum From the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald) to the Under Secretary of State (Hoover)[1]

Washington, February 1, 1957.

SUBJECT

Draft Progress Report on Japan (NSC 5516/1)

The Operations Coordinating Board (OCB) at its meeting on February 6 will consider the latest Progress Report on United States policy toward Japan, a copy of which is attached.[2]

The salient feature of the draft Progress Report is its thesis that Japanese-American relations have entered a period of adjustment and that greater mutuality in the relationship is required if the United States is to win and keep Japan as a firm ally in the Pacific. Japan's improved economic situation, improved diplomatic position, and restoration of relations with the Soviet Union all tend to lessen Japan's dependence upon the United States and to encourage more independence. As a consequence, Japan has entered a period in which it is now making decisions of lasting significance to the United States, both with respect to our defensive posture and to our position in the cold war with communism.

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[1] Source: Department of State, OCB Files: Lot 61 D 385, Japan. Secret. Drafted in NA.

[2] Not found attached. A copy of the final version, dated Febuary 6, is *ibid.*, S/S–NSC Files: Lot 63 D 351, NSC 5516 Series. In a February 6 memorandum to Robertson, which included notes on the discussion of the Progress Report at the OCB meeting, Arthur L. Richards, Operations Coordinator in U, indicated that revisions of the draft at the meeting were minor. (*Ibid.*, 611.94/2–657) In his weekly report to Sherman Adams, February 11, Robert Cutler described the OCB meeting as follows:

"The Progress Report on Japan provided an opportunity for a general review of U.S. relations with the Japanese. Ambassador–designate MacArthur was present for the meeting just prior to his departure for his new post. Principal concern in the Board's discussion was the steady deterioration in U.S.-Japanese relations over the past year and steps which might be taken to improve this relationship.

"One area of difficulty, future administration of the Ryukyu Islands, should be resolved before CINCFE is disestablished July 1. State and Defense will attempt to resolve their differences prior to that time; if not, the matter will be considered by the Board and possibly referred to the President.

"The Board also agreed on the need for early settlement of U.S. claims growing out of assistance during the period of occupation (GARIOA settlement). There has been virtually no progress on this matter since it was taken up in the National Advisory Council along with the German settlement." (Eisenhower Library, Staff Secretary Records)

According to NSC Action No. 1683, the National Security Council at its meeting on March 14 "noted and discussed" the Progress Report. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95)

Various points of friction exist between Japan and the United States; these are mentioned in full in Section B and include such points as the Bonin Islands, the Ryukyu Islands, United States force levels in Japan, relations with Communist China and trade problems. If Japan is to make the type of decisions which will improve our global posture rather than weaken it, these frictions must be alleviated in the near future.

The Progress Report concludes that our basic policy is still sound but that there must be a greater application of the principle of mutuality if the basic assumption of our policy—Japanese alignment with the United States—is to be fully realized.

There are no areas of disagreement with other agencies represented in the OCB with respect to the paper. However, there are potential areas of disagreement with Defense with respect to the Bonin Islands and the Ryukyu Islands: Navy continues to press that United States security interests in the Pacific exclude the possibility of repatriating Bonin Islanders; Defense is not as conscious of nor responsive to the civil problems in the Ryukyus as State feels is necessary. With respect to trade problems, Commerce is not fully conscious of the implications and possible reaction of third countries in terms of restricting imports from Japan, with the attendant weakening of Japan's needed economic strength.

The paper does not consider the question of future goals of American policy toward Japan. The Secretary himself has stated in discussions inside the Department that a reasonable goal for us is a mutual defense arrangement with Japan.

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116. Memorandum of a Conversation, Department of State, Washington, February 4, 1957[1]

SUBJECT

Various Matters Relating to Japan

PARTICIPANTS

The Secretary
Mr. Douglas MacArthur, II, Counselor
Mr. Walter S. Robertson, Assistant Secretary
Mr. William J. Sebald, Deputy Assistant Secretary

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[1] Source: Department of State, Central Files, 033.9411/2-457. Secret. Drafted on February 5 by Parsons. The source text bears the typed notation: "Informal—Not cleared by the Secretary."

Mr. Howard P. Jones, Deputy Assistant Secretary
Mr. William V. Turnage, Deputy Director, OFD
Mr. Howard L. Parsons, Director, NA

1. Invitation to Prime Minister Tanzan Ishibashi to visit the United States.

Mr. MacArthur reported that during a conversation with President Eisenhower at 10:30 on February 4[2] the President had concurred in the idea of extending an invitation to the Japanese Prime Minister to visit the United States some time in May. Mr. MacArthur further reported that the President had concurred in his suggestion that it would be a good idea for Mr. MacArthur to be given the opportunity of personally issuing the invitation to the Prime Minister shortly after his arrival in Japan.[3]

2. Japanese War Criminals.

Mr. MacArthur added that he had discussed the principle of release of Japanese war criminals with the President, indicating that the Secretary of State is working on a formula which should succeed in early release of the eighty remaining Japanese war criminals in a manner consistent not only with United States political objectives in Japan but also with the treaty and legal procedures which have been observed in the past. He commented that he had not discussed any of the details of the specific proposal. He indicated, however, that the President was sympathetic with the view that this problem in United States-Japanese relations should be eliminated.[4]

3. Mr. Clarence Randall's proposal for a meeting among Far Eastern Countries to discuss Economic Interdependence and Development between Japan and Free Asia.

It was the general consensus that benefits would be derived by the United States and Asian countries if Mr. Randall's suggestion of fuller cooperation among the Asian countries could be implemented. It was felt, however, that a great amount of staff work and study would be required before it is possible to have a meaningful meeting with Asian countries on this topic. There was some question as to whether a meeting of Asian nations at any time could be productive in this field.

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[2] No memorandum of this discussion has been found in Department of State files.

[3] Tanzan Ishibashi resigned on grounds of health on February 23 and Nobusuke Kishi succeeded him on February 25. MacArthur therefore tendered the invitation to Kishi instead. See Document 122.

[4] By February 11, the Department had reached internal agreement on a proposal whereby war criminals would be released upon the recommendation of "a responsible and non-political board, established by the Japanese Government, after review of all pertinent facts in the case, including the trial record." The proposal called also for the abolition of the Clemency and Parole Board. (Undated draft memorandum to the President attached to a memorandum by Pfeiffer of a conversation held February [illegible] between Robertson and Lieutenant General Alonzo P. Fox; Department of State, Central Files, 694.0026/2-1157) Interagency resolution of the proposal did not come for several months; see Document 176.

Although Japan's attempts at the development of a regional approach to Far Eastern economic interrelations were undertaken by means unpalatable to the United States and other Asian countries, namely conquest and domination, the fact of the planning and execution of their plans must of necessity have left a large volume of knowledge in Japan about the specific economic aspects of regional cooperation. This knowledge could be beneficial at the present time in evaluating the proposal which Mr. Randall has set forth. Accordingly, it was decided to answer Mr. Randall's letter of January 22[5] along the following lines:

> The idea of working toward greater regional cooperation would be endorsed. Reference would be made to the fact that Japanese thinking on the topic should provide a great deal of information to the United States in developing the evaluation and thinking in the United States Government on the problem and proposals which might be used in solving the problem. Since Mr. MacArthur will be arriving in Japan very shortly, it seems desirable to have him work with Mr. Frank Waring[6] in approaching the Japanese Government informally and confidentially, to learn more about the ways and means of developing meaningful proposals.[7]

4. *Continuing Problems Connected with Japanese Textile Imports into the United States.*

Mr. Robertson pointed out that the recent discussions between the United States and Japan had culminated in the announcement by Japan of a wide range of export quotas for 1957. However, on the day of the announcement of these quotas, additional legislative proposals had been introduced in both the States of South Carolina and Georgia designed to discriminate against the imports of cotton textiles from Japan. This action, coupled with the expectation by the Japanese that their action would solve the textile problem, has put the Japanese Government in an exceedingly difficult position and can well have serious repercussions involving a great many other aspects of United States-Japanese relations. The Secretary was asked to urge again the Attorney General to institute legal action against State laws which came into being in South Carolina and Alabama last year. The Secretary asked for full information on the reaction in Japan to the State laws to provide a basis for a further approach to the Attorney General.

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[5] Not found.

[6] Frank A. Waring, Economic Counselor of the Embassy in Tokyo.

[7] No copy of the letter as actually sent has been found.

5. Nuclear Weapons in Japan.

Mr. MacArthur expressed a fear that political developments in Japan, particularly the struggle between the Socialist and the Liberal-Democratic party members, could lead to an insistence by the Japanese that the United States make clear its position on the extent to which the Japanese Government will be consulted prior to the introduction of more advanced nuclear weapons into Japan.

The Secretary expressed a desire if possible to continue on our present basis with the Japanese. [*remainder of paragraph (9 lines of source text) not declassified*]

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117. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, February 8, 1957—7 p.m.

1734. Erupting as front-page press subject and heated political issue is shooting incident at Camp Weir near Somagahara January 30, in which Japanese woman[2] gathering cartridge cases for scrap value was accidentally killed on firing range by American soldier.[3] For preliminary report issued by US First Cavalry Division see AFFE message FM 639612 to DA.[4] Investigation by US and Japanese authorities continuing, full facts of case not yet established. Meanwhile Socialists have seized on issue to add fuel to anti-base campaign, organizing local rallies, pushing Diet investigation charging "deliberate murder", demanding GOJ take jurisdiction of case, protest occurrence and demand strong measures to prevent recurrence. Government in considerable difficulties as result. Press has carried variety of conflicting accounts, some highly sensational and claiming death not accidental. Editorial comment more restrained than Socialists, but shows strong concern. When expression of regret on part of local commander failed to stem rising tide of public reaction, Embassy believed it essential to make prompt additional expression of official regret, which would not compromise case but would stress understanding of human factors, essential in dealing with Japanese. We hoped with this letter to forestall initiative at this stage by GOJ. I therefore today gave Kishi letter in Embtel 1735,[5] after consulting with FEC on text. He said that issue could gravely damage relations between two countries and that leftist elements were exploiting issue for this purpose. He said three principal issues would arise when facts had been fully established—jurisdiction, fair compensation and prevention of recurrence. He expressed appreciation for letter and with my concurrence released it to press. I agreed on potentially serious consequences and importance of handling issue so as to minimize adverse effects. I said that facts were not yet established and I had no instructions but wished to comment personally on jurisdiction issue. (We had had indications Justice Ministry, on basis info so far available, was advocating GOJ seek jurisdiction). While recognizing nature of problem facing GOJ, I pointed out dimensions of our own public opinion and political problems on such an issue. I expressed personal hope that, even if facts and circumstances should suggest possibility of Japanese jurisdiction, means would be found for GOJ to avoid attempting to exercise it. Kishi urged that no official comment be made on either side on such issues as jurisdiction until facts fully established and until there had been opportunity for consultation between two governments on best means of solving issue in interest of overall relations. I hope Department will do best to insure that there will be no premature speculation on, or prejudgment of, issues involved in case attributed in press to official sources. Line should be that it happened, that regret has been expressed, that investigation is being conducted and that until all facts available and fully studied, it is inappropriate to make any substantive comment.

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[1] Source: Department of State, Central Files, 711.56394/2-857. Official Use Only; Priority.

[2] Mrs. Naka Sakai.

[3] Specialist 3d Class William S. Girard.

[4] Not found.

Horsey

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[5] Also dated February 8. In the letter, Horsey expressed his personal distress over the death of Mrs. Sakai and stated his understanding that all information developed by the U.S. military inquiry into the matter would be shared with the Japanese authorities. He concluded: "On behalf of the United States Government, I would also like to express to you, and through you to the family of Mrs. Sakai, the most sincere sympathy and regrets over this tragic occurrence." (Department of State, Central Files, 711.56394/2–857)

118. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, February 13, 1957—2 p.m.

1759. Embassy telegram 1736.[2] Atomic issue still very much alive. On February 11 Communist Kawakami[3] took over Diet imterpellations of Kishi and kept him on defensive throughout questioning. Kawakami raised for first time this session questions of 1) introduction into Japan of nuclear weapons rather than atomic task force, 2) stationing atomic task force in Okinawa, and 3) alleged statement by Admiral Ingersol on January 28 that US Seventh Fleet (which Kawakami claimed is based at Yokosuka) is capable of making atomic attacks.

Kishi replied reportedly along following line: 1) Japan could rely on "Allison–Shigemitsu agreement"[4] that it would be consulted before US brought atomic weapons to Japan (when Kawakami retorted that people could hardly trust such "private agreement" and demanded written treaty, Kishi added agreement was being observed and US respected it); 2) he is not certain US intended consult Japan on sending atomic unit to Okinawa but, if consulted, he intended express opposition; and 3) denied claim that Seventh Fleet has brought atomic weapons into Japan but promised look into matter further.

Diet debate February 11 indicated Socialists and Communists intend to maintain pressure, in particular to broaden scope of interpellations in effort force government take clear-cut stand on every aspect of atomic weapons issue.

Embassy seeking Foreign Office verification as to precisely what Kishi said on February 11 and will report promptly so that Department can consider whether representations should be made to Kishi.[5] Em-

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[1] Source: Department of State, Central Files, 794.5/2–1357. Confidential.

[2] In telegram 1736, February 9, the Embassy reported that recent publicity from Washington concerning the possible basing of an atomic task force in Japan and provision of guided missiles to Japan had brought about a Cabinet decision to cancel plans to introduce legislation to protect the security of military information. The Embassy commented that the United States by prematurely forcing (either accidentally or intentionally) security issues, was "hardening attitudes, forcing government to take more categorically negative position than would otherwise be necessary and postponing time when really profitable discussions could be held with Japanese leaders on these and related subjects." (*Ibid.*, 794.5/2–957)

[3] Kanichi Kawakami, a Communist member of the Diet.

[4] A telegram from Tokyo, June 27, 1955 [*1 page of source text*], and a Department of State Position Paper, August 22, 1955 [*4 pages of source text*] regarding this "agreement", were not declassified. The telegram is in Department of State, Central Files; the Position Paper is *ibid.*, FE Files: Lot 56 D 679.

[5] In telegram 1780, February 15, the Embassy forwarded to the Department an English translation of the two main references Kishi had made on February 11 to the "Allison–Shigemitsu agreement" as reported in the second paragraph of telegram 1759. The translation confirms the accuracy of the reporting in telegram 1759.

Continued

bassy notes with appreciation Defense Department refusal over past few days make further comment on provision of guided missiles to Japan.

Horsey

Telegram 1780 concluded as follows: "Yesterday, Kishi stated 'qualitative' improvement of Japanese defense forces will not include adoption of atomic weapons nor acceptance of US plans to bring them into Japan. Defense Agency Chief Kodaki, on other hand, although expressing opposition to arming Japanese forces with 'offensive' guided missiles, stated that it might be necessary for Japan to use weapons with atomic warheads in event Japan faced by danger due to change in international situation." (*Ibid.*, Central Files, 794.5/2–1557)

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119. Memorandum of a Conversation, Department of State, Washington, February 19, 1957[1]

SUBJECT

Ryukyuan Administration

PARTICIPANTS

Mr. Harold Seidman, Bureau of Budget
Mr. Charles Per-Lee, Bureau of Budget
Mr. Richard D. Kearney, Assistant Legal Adviser for Far Eastern Affairs
Mr. Howard L. Parsons, Director, Office of Northeast Asian Affairs
Mr. James V. Martin, Jr., Officer in Charge, Office of Japanese Affairs
Mr. Harry F. Pfeiffer, Jr.—NA
Mr. Charles H. Pletcher—NA

Mr. Seidman and Mr. Per-Lee called to discuss the problem of the legal basis for our administration of the Ryukyus. Mr. Seidman said that he would be leaving a week from Thursday for a trip to Japan and Okinawa.

Mr. Seidman was much concerned that our administration of the islands was based only on the so-called "Presidential directive". He explained that this was in reality only a Department of Defense Directive that had been initialed as approved by the President. It was intended only as a temporary stopgap measure when it went into effect in 1954.

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[1] Source: Department of State, FE Files: Lot 59 D 19, MC—Miscellaneous 1957. Confidential. Drafted by Pletcher.

He said there were many problems regarding the irregularities of the present administration. He cited as one the issue of B yen—which is really occupation currency and therefore should be backed up by the occupied country. In this case there is no such country and therefore no authority for the issue of the money.

Mr. Seidman said that separating the administrative authority from the military command might cause serious problems for the Administrator. He cited the example of Guam where the Navy cut off most logistic support including electricity, the governor's servants, etc. There it took a year to straighten things out. He opined that in Okinawa the civil administration and military activities were so intertwined that separation might well prove not only difficult but impossible. Also there will be serious problems in the suggested new command structure with the Governor concurrently USARPAC—i.e., not the Theater Commander and not located in Japan. (As he is not part of the Theater Commander's setup, he will have difficulty insuring that the Theater Commander takes proper cognizance of the Ryukyus. As he is not located in Japan he will himself lack sensitivity to Japanese feelings toward the Ryukyus.)

Mr. Parsons said that he was primarily worried about preserving our military position in Okinawa which will be of increasing importance as we reduce our military bases in other Far East areas. The Ryukyus will certainly be a major issue between Japan and the United States. The military have shown that they are politically unsophisticated (they wanted to throw out Senaga)[2] and this will greatly complicate the Ryukyuan problem in United States–Japan relations. He pointed out that if we weren't careful we might get kicked out of the Ryukyus.

Mr. Seidman agreed that this was true and said that it was another reason why the basis and structure of the administration should be regularized. He then presented a brief history of Ryukyuan administration, the "Presidential" Directive, and the draft Executive Order: A civil administration for the Ryukyus was originally provided by Proclamation 13 of the Military Government. To this day, this is the only publicly known "constitution" for the Ryukyus. In December of 1952, Bureau of Budget sent a letter to State and Defense suggesting that the administration be regularized. This resulted in a stalemate between the two Departments. The matter was referred to the National Security Council but no solution was reached. The undecided issues were whether or not to return the islands to Japan and how they were to be administered. Early in 1954 the President took the problem out of the NSC. General Hull, Mr. Murphy and, Mr. Seidman thought, also Mr.

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[2] Kamejiro Senaga was removed from office as Mayor of Naha, Okinawa, on November 23; see Documents 249 and 251.

Robertson had a conference and State conceded and agreed to a military administration. The "Presidential" Directive is the result of this meeting.[3] It is really a Defense draft of an operations directive which was submitted for Presidential approval without careful rewriting and without clearance. The Directive clearly makes all GRI executive offices elective. It completely subordinates the GRI executive branch to the legislative. In any case, as it is just a Defense operations directive it cannot have the force of law. Among other things, the court structure it provides is incomplete—there are no appellate courts and no civil courts having jurisdiction over American contractors. The draft Executive Order was prepared to take the place of the Directive. By the end of 1955, agreement on a draft had been reached between State and Defense. Then General Gailey[4] took over CAMG and wanted the Order resubmitted to the field for comments. This was completed in early 1956. The Order was then held up pending March elections in the Ryukyus, afterwards because of the Price Report and subsequent land agitation.

Mr. Seidman wanted to emphasize the necessity of issuing the Executive Order as soon as possible. He pointed out that in the coming months, under pressure from Congress and possibly from other nations in the United Nations, we may be forced to make public the instrument on which we base our administration. He said that it would be very embarrassing to make the Directive public as (1) since it is only a Defense directive it has no legal validity, (2) the administration of the islands does not and can not follow the provisions of the Directive, (3) it is classified and therefore the Ryukyuans have never been informed of the basic "law" or constitution of their own government, (4) as there is no legal validity to the Directive, Congress might well withdraw budgetary support. As the BOB had assumed that the Executive Order would be in effect this year, the budgetary provisions for the administration of the Ryukyus are based on the Executive Order.

Mr. Seidman maintained that promulgating the Executive Order would not interfere with our attempts to persuade Defense to convert to a civilian administration. While it is true that the Executive Order does delegate administrative authority to Defense (under present provision authority has never been delegated) and does provide that the Governor should be a military officer on active duty, these two provisions could easily be changed at some later date. He maintained that even if successful, our discussions with Defense and subsequent changes of the Administration would take at least two years and that the Executive Order was desperately needed to fill the existing gap. He emphasized the desirability of not being forced to publish the existing Directive.

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[3] For documentation on circumstances attending the approval of the Directive by the President on August 2, 1954, see *Foreign Relations*, 1952–1954, vol. XIV, Part 2, pp. 1577 ff.

[4] Major General Charles K. Gailey, Chief of Civil Affairs and Military Government, Army Staff.

Mr. Seidman summarized his position: Although he had originally felt that the civil administration should be separated from the military command and placed under civilian control, careful study of conditions on Okinawa had led him to change his mind. He has become convinced that the military and civil affairs activities are too inextricably intertwined to be separated and therefore it is necessary to continue the civil administration as part of the military command. He is very apprehensive over the effect of the coming command changes in the Pacific on Ryukyuan administration (he had noticed a reversal in the trend toward "civilianizing" USCAR—the appointment of several colonels to fill positions which had been held by civilians—and discovered that this was at the instigation of CINCPAC) and does not see how it could possibly work. However, promulgating the Executive Order need not have any effect on long-range administrative changes which we hoped to make and it would provide a legal foundation for our administration of the islands and get us off the hook of having to publish the "Presidential" Directive.

He discussed the proposed organic legislation currently before the BOB for its consideration and to which State has expressed objection, and he agreed that the more usual and probably more desirable way to phrase it would be to have it simply place administrative responsibility in the executive and not specify to whom the President will delegate authority. Although he said there was need for such organic legislation, it was not urgent as was the need for the Executive Order. In his opinion, the legislation would not pass Congress this session in any case.

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120. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, February 20, 1957—5 p.m.

1814. I made my first call on Kishi last evening to present letter of credence and recall.

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[1] Source: Department of State, Central Files, 123-MacArthur, Douglas. Confidential.

After usual amenities I said that although I had not previously served in Japan I had in past four years spent considerable time on matters concerning Far East and South and Southeast Asia. I nevertheless had much to learn about Japan and would want advice and counsel from him. I felt two countries had same fundamental purposes, principles, and objectives. Problem was to find solutions to specific problems which Japanese govt would feel met its own interests and which we would feel met ours. It was important that on both sides there be free and frank discussion of these problems as they were seen by respective sides. Without such discussion I doubted it would be possible to reach most constructive agreements which would satisfy our mutual interests and requirements of both sides. I concluded by stressing importance of conducting talks and negotiations in private without glare of news publicity on day-to-day developments.

Kishi said he welcomed this approach and fully agreed with importance frank discussions. It had been his custon with Allison and he hoped have same close relations with me both officially and "in a private capacity".

I said that even before presenting credentials there was one matter I would like to mention. This was question of economic development of SEA, to which I knew Japanese leaders had given much attention. I expressed belief this was field in which I felt there was room for cooperation and constructive action. However we would need to know in considerably more detail than we know now Japanese views in light their great experience before we could study what might be done. I expressed personal view it important initiative this field come from Asians rather than United States. I asked Kishi to designate officials with whom Mr. Waring could at once start such detailed but confidential conversations. Kishi welcomed idea and said he would designate someone with whom Waring could pursue question.

Kishi raised no matters of substance and was very friendly although obviously somewhat preoccupied with domestic political situation revolving about Ishibashi illness.

MacArthur

121. Letter From the Secretary of State to the Secretary of Defense (Wilson)[1]

Washington, February 23, 1957.

DEAR MR. SECRETARY: I wish to call to your attention a series of press reports concerning an Atomic Task Force and atomic-capable guided missiles for Japan, attributed to sources in the Department of Defense, which have evoked a most unfortunate reaction in Japan.

The initial reports, datelined Washington on January 16 and 17, concerned the withdrawal of the First Cavalry Division from Japan and the possible assignment of an Atomic Task Force to Japan. In order to counter the adverse effect of these reports in Japan, the Department of State and the Department of Defense issued a joint press release denying that decisions of this character had been made.[2]

In reliance on this press release, Foreign Minister Kishi was able to counter successfully Socialist interpellations in the Japanese Diet attacking the Government. However, the disclosure, attributed to authoritative United States military sources in Tokyo, that the United States planned to install Matador guided missiles on Formosa led to a series of press reports from Washington, based upon Department of Defense statements, concerning the provision of guided missiles to Japan.[3] The feasibility and timing of a press release on the installation of Matador missiles in Formosa was at that time under "top secret" consideration in the Department of State.

The press reports concerning the furnishing of guided missiles to Japan were particularly unfortunate in that they caused the Japanese to tie together the issue of United States-furnished equipment and Japanese security legislation. As a result of this publicity, the Director General of the Japanese Defense Agency announced on February 8 that the Japanese Cabinet had decided to cancel plans to introduce in the present Diet session legislation to protect security of military information. Legislation of this sort is essential to the interests of the United States in our relations with Japan.

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[1] Source: Department of State, FE Files: Lot 59 D 19, W. Confidential. Drafted in NA.

[2] See Documents 114 and 118.

[3] Documentation on this second group of press reports, which appeared in late January and early February, is in Department of State, Central File 794.5 for January and February 1957, and in Washington National Records Center, OASD/ISA Files: FRC 61 A 1672, 471.6 Japan. Materials in the latter file indicate that the Japanese Government had, through the MAAG in Japan, requested samples of guided missiles for inspection and research purposes in November 1955, and that the JCS had in May 1956 expressed itself favorably regarding the request. No action had been taken, however, because of what U.S. officials perceived as an inadequate security system in Japan.

A further and more serious consequence which followed upon opposition attacks on the Japanese Government based upon these press reports was a decision by the Japanese Cabinet that assent, if asked for, would not be given to the stationing in Japan of an Atomic Task Force. [*1 sentence (2½ lines of source text) not declassified*]

In view of the great sensitivity which attaches to the question of atomic weapons in Japan, I would suggest that any announcements which are contemplated concerning this issue be subject to prior consultation between the Departments of State and Defense, and between the American Embassy and the Far East Command in Tokyo, to make certain that we are furthering our own interests by the release of such information to the public.

Sincerely yours,

John Foster Dulles[4]

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[4] Printed from a copy that bears this stamped signature.

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122. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, February 25, 1957—3 p.m.

1848. For Secretary and Robertson. Re Embtel 1847.[2] I had opportunity talk privately with Kishi this morning at Imperial Palace before presenting my credentials. After congratulating him on forthcoming designation as Prime Minister, I asked his views about domestic political situation and particularly when there might be elections.

Kishi replied he hoped get budget passed by early April but did not believe there should be elections before next year or latter part this year at earliest. He said in addition to Prime Ministership he would retain Foreign Ministry and wished work closely with me.

I said I knew he would be much preoccupied this week in organizing his government and did not wish press him for early meeting but would like call on him to have good general discussion about pending issues between our two countries as soon as he could receive me. Kishi was most cordial and friendly and indicated he also wanted go over common problems with me at an early date.

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[1] Source: Department of State, Central Files, 123-MacArthur, Douglas. Secret.

[2] Dated February 25, telegram 1847 reads:

"I presented my credentials to Emperor this morning. Emperor immediately inquired as to President's health. I replied that President was in excellent health and that I had seen him just prior my departure from Washington. I conveyed President's greetings and best wishes and Emperor asked that his own best wishes be conveyed to President. Emperor expressed deep appreciation for US assistance to Japan." (*Ibid.*)

While obviously Kishi has delicate internal political situation and will wish avoid charges he is too pro-American, our judgment is we will be able to do business on better basis with him than Ishibashi. Therefore I would like be in position when I see Kishi to let him know privately that President would welcome his visiting US some time in May if this feasible from his viewpoint. In terms our over-all objectives and new situation we entering in our relations with Japan, I think very important to let Kishi know that President would welcome visit. I would appreciate knowing whether I can so inform Kishi privately when I next call on him. It may be Kishi will not find it feasible to visit US in May because of Japanese domestic political situation but we believe such an invitation would be warmly welcomed and would be very helpful.

In conveying invitation to Kishi I would expect say President and Secretary had authorized me to convey invitation when I first saw Ishibashi for Kishi and Ishibashi to visit Washington but that latter's health now unhappily having altered circumstances, we wished Kishi know he would be most welcome.

It is important that there not be leaks re invitation. I would recommend Japanese Embassy Washington not be informed re invitation till I have talked to Kishi and reported his reaction.[3]

MacArthur

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[3] In telegram 1894 to Tokyo, March 8, the Department informed the Embassy that the President had approved extending an invitation to Kishi to visit Washington May 8–10. (*Ibid.*, 033.9411/3–857) See Document 124.

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123. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, February 26, 1957—6 p.m.

1869. Reference: Embtel 1776.[2]

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[1] Source: Department of State, Central Files, 711.56394/2–2657. Secret; Priority.

[2] Telegram 1776, February 14, reviewed press comment on the Somagahara shooting incident. (*Ibid.*, 711.56394/2–1457)

1. Japanese proposal made at Joint Committee meeting February 21 to refer Somagahara shooting incident to criminal jurisdiction subcommittee for resolution jurisdiction issue. Japanese taking position sufficient proof exists that offense did not arise in course performance of official duty. US representative declined concur in proposal for referral to subcommittee pending completion of review official joint investigation findings. His position prompted by following:

a. Latest US report on investigation prepared by camp Provost Marshal contains additional data supporting Japanese allegations sufficient to prompt serious reconsideration by FEC on validity initial certification by local US military authorities February 7 re official duty status.[3]

b. FEC advised that subsequent AFFE recommendation that proposes original certification be sustained on position that evidence not conclusive re impairment official duty status of soldier.

c. FEC studying reports preparatory proposing US position which could possibly result relinquishing jurisdiction to Japanese without necessity referral Joint Committee consideration.

2. Limited vernacular press speculation over weekend that US "inclined" to transfer jurisdiction based on interpretation "recent USA moves".

MacArthur

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[3] In telegram 1751 from Tokyo, February 12, the Embassy reported that in accordance with the protocol on criminal jurisdiction under the amended Article XVII of the Administrative Agreement, Private Girard's commanding officer had on February 7 certified that Girard had been on official duty at the time of the shooting, and that the Japanese authorities were contesting this determination. (*Ibid.*, 711.551/2–1257)

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124. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, March 14, 1957—1 p.m.

2010. I saw Kishi alone this morning (only his interpreter present) and conveyed invitation visit Washington May 8–10 where he would stay President's guest house. I said if he accepted invitation White House desired earliest possible simultaneous announcement Washington–Tokyo, and White House would like make announcement 12 noon Washington time on agreed date. I gave him draft text contained Deptel 1942[2] explaining this preliminary draft to indicate general lines announcement. I said I assumed announcement made Tokyo would be on same lines and stressed importance making quite clear purpose of visit is for useful discussions topics of mutual interest and not for purpose negotiating and reaching agreement specific problems. I explained text of announcements both Tokyo and Washington must avoid building up false expectations as to purpose and nature visit since obviously in three-day visit it would not be possible negotiate out agreements on specific issues. I concluded by emphasizing invitation must be held in strictest confidence until announcement made.

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[1] Source: Department of State, Central Files, 033.9411/3–1457. Secret; Niact; Limit Distribution.

Kishi deeply touched by invitation and asked his "heartfelt appreciation be expressed to President Eisenhower". He said he would keep invitation strictly confidential. He then went on to say Diet would still be in session during period proposed for visit, which posed certain problems. While he confident budget would be passed by upper house April 3 and while he did not believe there would be substantive bills before Parliament requiring serious debate after end of April and prior Diet adjournment May 17 or 18 he could not be reasonably sure of this for another week or ten days. Also Liberal Democratic Party convention would be held March 21 when he expected be elected President LDP. If party convention went well and he elected President, he felt this would do much to stabilize internal political situation. Therefore with these two considerations in mind it would be week or ten days before he could definitely state whether possible make Washington visit May 8–10.[3]

He concluded by reiterating his deep appreciation to President and saying his reply would be forthcoming within week or ten days. He hoped would be possible accept dates proposed by President as he knew President's schedule very heavy.

Kishi then went on say before he received this invitation it had been his intention have discussions with me on pending matters of importance between Japan and US and also on over-all matters. He believed such discussions would do much to get greater mutual understanding on common problems and thus aid in arriving at constructive solutions. He had in mind meeting with me perhaps twice a week, for about two hours each time, to cover wide range problems and questions. He envisaged about eight or ten meetings. He felt if he were going to Washington such meetings were even more necessary. He said while such meetings could not be kept secret, he attached greatest importance to holding in strict confidence content and substance such discussions.

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[2] Dated March 12, not printed. (*Ibid.*)

[3] Kishi was unable to accept the invitation to visit Washington in May, but instead accepted an invitation for June 19–21. (*Ibid.*, 033.9411 and 123-MacArthur, Douglas)

I said I would welcome such discussions since in first instance I wanted get his general views on situation this important part of world and also on specific matters of mutual interest. I wholeheartedly shared view conversations be kept confidential. I referred to comment he made that relations between US and Japan were entering new phase which could be very fruitful for both countries, and said I would also like have his thinking about future relationship.

If we could know in more detail lines along which he was thinking re general situation and specific issues, we would be in better position to see what we might do to promote closer relations which we earnestly desired. He said he would discuss meetings further when he gave me reply re visit.[4]

We agreed that in answer to press queries re our meeting today we would hold strictly to following:

> *Begin:* American Ambassador paid courtesy call on Prime Minister Kishi this morning. Matters of substance were not discussed although their conversation touched upon possibility Prime Minister Kishi visiting US later this year. *End.*

However in view state [*spate*?] of stories from Washington and Tokyo published in press here past several days re visit, Japanese press which is very inventive will undoubtedly have us discussing visit and any number other subjects.

MacArthur

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[4] On April 4, the same day he accepted the June invitation, Kishi gave MacArthur the following agenda for these talks: 1) general analysis of problems in U.S.-Japanese relations; 2) policies and measures to eliminate these problems, including security and defense arrangements; 3) territorial problems; 4) U.S.-Japanese cooperation in economic development of Southeast Asia; 5) U.S.-Japanese trade relations; 6) the problem of trade with Communist China; 7) review of world and East Asian situations; and 8) others. (Telegram 2205 from Tokyo, April 4; *ibid.*, 033.9411/4–457) Telegraphic correspondence concerning these talks is *ibid.*, 611.94.

125. Letter From the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald) to the Ambassador in Japan (MacArthur)[1]

Washington, March 25, 1957.

DEAR DOUG: I want to pass on to you the main points which emerged in a briefing received by John Steeves and FE representatives on March 20 from representatives of the Department of Defense on the outline plan for the disestablishment of CINCFE.[2] This is the first opportunity which we have had to see the complete text of this plan,[3] but I understand that it was sent to CINCFE several weeks ago so that it has probably come to your attention. If not, please let me know and we will send on the text which we expect to receive from Defense in the next few days.

In the section dealing with Japan, we have the most questions about the new relationship which will obtain between the subordinate Unified Commander in Japan and the Ambassador and also by the position which the Chief of MAAG/J will occupy. The plan as now worded authorizes the Unified Commander to conduct direct negotiations with appropriate representatives of the Japanese Government on certain matters. Although the argument was made by Defense representatives that in context this would be clearly understood to refer to dealings by United States Forces with their counterparts in the Japanese military establishment, we expressed the view that it would be better to state clearly that the 1952 Presidential Directive[4] will be rescinded and Embassy–Command relationships will be conducted in accordance with existing Presidential directives, referring specifically to Circular 58 of July 24, 1956.[5] It was agreed that representatives of the two Departments would look into the matter and decide whether to recommend that the Presidential Directive of April 23, 1952 should be rescinded. On the question of the position of MAAG/J in the new setup, Defense stated that they did not have a final position on this since they were awaiting comments from CINCPAC and CINCFE.

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[1] Source: Department of State, FE Files: Lot 59 D 19, MacArthur, Douglas, II. Secret; Official–Informal. Drafted in NA.

[2] This was scheduled to take place July 1, 1957, as part of the reorganization described in Document 82.

[3] Not found.

[4] For text of the Presidential Directive issued April 23, 1952, see the attachment to the memorandum from Secretary of State Acheson and Secretary of Defense Lovett, April 22, 1952, in *Foreign Relations*, 1952–1954, vol. XIV, Part 2, p. 1243.

[5] In this circular telegram, the Department forwarded to all Chiefs of Mission an instruction, approved by the President, outlining the relationship between the Chiefs of Mission and the representatives of other agencies, and stating that representatives of all agencies were subject to the supervision of a Chief of Mission "in connection with any of their activities which in his own judgment affect relations between the United States and the country to which he is accredited." (Department of State, Central Files, 120.171/7–2456)

With regard to the Ryukyus, we pointed out the desirability of having the Governor in the islands rather than in Hawaii. It was agreed that further discussion of this matter should await the conclusions of the State–Defense working group that is now reviewing our whole position in the Ryukyus. We have already sent Outer[6] a copy of John Steeves' paper[7] on this subject which will form the basis for these discussions. It was agreed that we should move ahead rapidly with this study and point for May 1 as a completion date. Since we plan to introduce this study as an NSC action, higher echelon consideration may well extend beyond this date.

We pointed out that we have not discussed plans for the disestablishment of CINCFE with the Japanese or the Koreans since last July when the press release was checked out with them. Defense representatives agreed that it was desirable to authorize you and General Lemnitzer to inform the Japanese Government of progress that has been made in planning for the changeover. By now you should have received authorization to do this. Similar action will be taken in Korea. It was agreed that instead of telling the Japanese and Koreans after the fact we should have as full an exchange as possible before final decisions are taken by the United States. We promised such at the time the press release was discussed.

I would appreciate receiving your views on the outline plan for the disestablishment of CINCFE and any comments you may have on the foregoing.

Sincerely yours,

William J. Sebald[8]

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[6] Outerbridge Horsey.

[7] Not found.

[8] Printed from a copy that bears this typed signature.

126. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, April 17, 1957—4 p.m.

2336. Ref: Embtels 2305[2] and 2306.[3] Kishi has given me his views on only first two items (of agenda for our preliminary talks)[4] and subsequent talks may bring to light important new elements in his position as whole. But security and territorial issues which he raised under agenda item 2 are so basic and require such urgent attention that I believe following preliminary comments should be made now.

1. We have reached the turning point in our relations with Japan. By this I do not mean that is [*if we*?] brush off Kishi's proposals there will be any sudden and dramatic breakdown of our relations in next few months. What I do mean is that direction of the current in Japan is clearly evident and if we do not try by our basic stance toward fundamental issues, to direct the current into constructive channels, we will find our whole position here gradually eroding away in next several years. And the erosion will take place in an atmosphere of acrimony

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[1] Source: Department of State, Central Files, 611.94/4–1757. Secret; Limit Distribution.

[2] In telegram 2305, April 13, the Embassy transmitted the text of a paper received by MacArthur from Kishi during a talk held that day. In it Japan proposed: 1) a joint reaffirmation of the purpose of bilateral security, in which it would be emphasized that the United States did not intend to utilize its armed forces stationed in Japan and other Far Eastern areas unless overt aggression occurred in those areas; 2) inclusion in the basic principles of revision of the security treaty of mutual agreement on disposition and use of U.S. forces under the treaty, clarification of the relationship between the treaty and the U.N. Charter, amendment of the provision for expiration of the treaty so that it would be in effect for 5 years from date of revision and terminable thereafter upon 1 year's notice by either party; and 3) a continuing buildup of Japanese defense forces accompanied by withdrawal of U.S. forces to the maximum possible extent, including a complete pullout of ground forces and the release of some U.S. bases to Japan. (*Ibid.*, 611.94/4–1357)

[3] Also dated April 13, telegram 2306 contained the text of a paper on territorial problems (given MacArthur at the meeting mentioned in footnote 2 above) in which Japan proposed that the United States agree to relinquish the Ryukyus and the Bonins after 10 years, and that, in the interim, various Japanese Government agencies be permitted to exercise their functions in the Ryukyus and former inhabitants of the Bonins be allowed "progressively" to return to them. (*Ibid.*)

[4] For a summary of the agenda, see footnote 4, Document 124. On April 10, Kishi presented a talking paper to MacArthur on the first item of the agenda, the problems between the two countries. In general, the analysis centered around reasons for the distrust of and ambivalence toward the United States found in some segments of Japanese opinion. The analysis stressed Japanese aversion to war, U.S. military policy toward Japan, resentment against Japan's subordinate position under the security treaty, antipathy arising from territorial problems, disappointment over restrictive U.S. trade measures, and dissatisfaction over the embargo against the People's Republic of China. According to the paper, many Japanese had come to believe that the United States ultimately wanted a war aimed at overthrowing the Communist bloc powers by force. (Telegrams 2255, 2256, 2257, and 2258 from Tokyo, all dated April 10; all in Department of State, Central Files, 611.94/4–1057)

and mounting hostility that will impair for the foreseeable future the possibility of any real and dependable cooperation between Japan and the US in the vital security field.

2. In Kishi we have an able, very ambitious, and skilled politician. He has yet to show the quality of statesmanship, but he is determined to consolidate the "national sentiment" behind him and lead it forward.

I believe he would prefer to lead it in the direction of enduring cooperation with US. But only his future actions will tell. But I also believe he will try to lead his country in some other direction if he believes we are resorting to evasive or delaying tactics instead of coming to grips with the problem of a new relationship.

3. What Kishi calls "national sentiment" is really not public opinion in the Western sense but the collective judgment of Jap leaders, often totally illogical from Western viewpoint, which gradually crystallizes and on which national policy then becomes based. In his two papers on security and territorial problems he has, I believe, laid out, with unusual candor, his present estimate of the basic objectives of Japanese for the coming decade.

4. The general content of Kishi's proposals is not a surprise. We have seen sentiment forming gradually during last two years, and in recent months the press has been full of such ideas. While many of them stem from Socialist or neutralist elements, many have been planted in the press by members of the govt or its supporters. What is novel is not the proposals but the sudden authority and completeness with which they have now emerged at the highest level of the Jap Govt. They call for the most searching analysis and considered response on our side.

5. The problem we face is that the time is drawing to a close when we can assume Japan is inevitably tied to the US by economic and security needs. There is a strong view of neutralism in Japanese "national sentiment" and Kishi could easily get the country, most Socialists included, solidly behind him if he chose to lead in that direction. Japan's membership in the UN means that moving away from the US no longer entails ostracism from world society. Thus Jap leaders will have alternatives in their own minds if they believe we are unable to recognize the relationship between Japan and US has undergone major change which in turn requires major readjustments.

7. [*sic*] Kishi's proposals are in many respects one-sided and have not yet touched upon many fundamental aspects of the future relationship between Japan and the US nor upon the role that Japan intends to play in the world; nor on the burdens and responsibilities Japan is willing to assume in its new position in terms of making its contribution to peace with justice in the world. We need to draw him

out on these and on his long-term concept of partnership between the US and Japan. I would appreciate Dept's views on questions I might put to him to draw him out.

8. I do not believe Kishi can reasonably expect us to to buy his proposals out of hand, because he must realize their fundamental and long-term implications, which go far beyond the question of just relations between Japan and the US. I also believe he is prepared to consider modifications or alternatives to the proposals he has made. Talks here and in Washington should explore such possibilities thoroughly, testing the basis, soundness, and firmness of his position on the different points. I will comment later on some of his specific proposals.

9. Meanwhile, I urge that Kishi's approach be taken with utmost seriousness and that US Govt make a basic and fundamental review of our policy re Japan. I believe that if as a result of Washington talks we cannot lay the foundation for some fundamental readjustments looking ahead to true partnership in our relations with Japan, decisions will gradually be taken here which will be against our interests and which we will be unable to reverse. What is required of course is to put our relations with Japan as rapidly as possible on the same basis of equal partnership that we have with other allies. This cannot of course be done overnight nor without Japan assuming responsibilities. But, if we are unable to lay solid groundwork with Kishi when he visits Washington with constructive suggestions for achieving readjustment in our relationships, I am not optimistic about the future in terms of our long-term interest in Japan. My fear is that we would see Japan drift progressively into neutralism. On other hand, if we can give Kishi sense of conviction that we intend to move promptly to place relationships between Japan and the US in the security and economic fields on really equal basis I think we have a good prospect of identifying Kishi's and Japan's interest with our own, thus providing a basis for durable and dependable relations. I am passing copies of this to CINCFE and CINCPAC for their own information.

MacArthur

127. Telegram From the Department of State to the Embassy in Japan[1]

Washington, April 18, 1957—12:42 p.m.

2268. Embtels 2304 through 2307.[2] Apparent Department Kishi's first talking paper[3] sets tone and base for Japanese positions and requests. Department's responsive talking paper[4] likewise represents basic foundation for discussion during Kishi visit.

However appears Kishi may be losing sight purpose Washington visit namely discussions and exchanges of respective viewpoints but not negotiation although he himself stated this publicly at our request.

Suggest you appropriately remind Kishi that while we seek obtain and understand Japanese views through talks we do not regard talks as laying groundwork for negotiation during visit. Department concerned that repeated presentation specific proposals by Kishi in his talks with you will build up unwarranted expectations that conversations during visit will result acceptance Japanese views.

Department now preparing individual position papers for use during visit and will send you drafts for comment and suggestions. Department does not however regard favorably exchange of talking papers on all points Kishi agenda as this would tend freeze our position especially on more controversial problems.

FYI. As Japanese apparently have already completed extensive preparation for Kishi talks with you, difficulties our preparing timely and adequate responses and fact you may also find frequency of meetings disadvantageous, suggest you may wish consider desirability seeking less frequent meetings.[5] End FYI.

Dulles

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[1] Source: Department of State, Central Files, 611.94/4–1857. Secret; Limit Distribution; No Distribution Outside Department. Drafted in NA, cleared in draft with Sebald, and approved by Parsons.

[2] All dated April 13. In telegram 2304, MacArthur described briefly the papers transmitted in telegram 2305 and 2306 of the same date (see footnotes 2 and 3, *supra*). In telegram 2307, MacArthur stated that in his oral reply to Kishi's paper on Japanese public opinion (see footnote 4, *supra*) he had stressed the defensive nature of U.S. military preparations. (All *ibid.*, 611.94/4–1357)

[3] Apparent reference to Kishi's paper on Japanese public opinion.

[4] Transmitted in telegram 2247 to Tokyo, April 16. (Department of State, Central Files, 611.00/4–1657)

[5] In telegram 2374, April 19, MacArthur stated his agreement with the points made by the Department, including the inadvisability of exchanging talking papers on all the points of the Kishi agenda and the desirability of less frequent meetings. However, the Ambassador also stated his belief that following the completion of Kishi's presentations, a few further oral exchanges of views would be useful as a preliminary to the Washington visit. (*Ibid.*, 611.94/4–1957)

Continued

128. Memorandum From the Director of the Office of Northeast Asian Affairs (Parsons) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, April 19, 1957.

SUBJECT

Promulgation of the Proposed Executive Order

Captain Robbins of ISA, Office of the Secretary of Defense,[2] has informed me that Defense very strongly desires to promulgate the proposed Executive Order Providing for the Administration of the Ryukyu Islands as soon as possible. As you will recall the Executive Order is to take the place of the classified Presidential Directive of August 2, 1954 which presently provides the basis for our administration. The present draft[3] of the Executive Order was cleared by the Department of State over a year ago. This clearance was subsequently withdrawn when it was decided last December to seek a thorough review of the whole administration set-up. The State–Defense working group established for this purpose was able to define the areas of difference between the two Departments on this subject but was not able to resolve the differences. Ambassador MacArthur has wired from Tokyo his urgent advice[4] that no action be taken on the Executive Order until the contemplated review by the NSC of our Ryukyuan policies takes place.[5] He believes—and I agree with him—that the issuance of the Executive Order is the best possible opportunity of stating our long-term policy in clear and unmistakable terms and that it should logically come not only after a review of basic policy rather than before but also after the Kishi visit.

In a meeting with Kishi, April 20, MacArthur stressed that the United States was not regarding the talking papers as specific proposals but as a basis for a full exchange of views in Washington. He left with Kishi the talking paper transmitted in telegram 2247. (Telegram 2379 from Tokyo, April 20; *ibid.*, 611.94/4–2057)

[1] Source: Department of State, Central Files, 794C.0221/4–1857. Secret.

[2] Captain Berton Robbins, Jr., USN.

[3] Not found.

[4] In telegram 2351 from Tokyo, April 18. (Department of State, Central Files, 794C.0221/4–1857)

[5] Documents *ibid.*, 794C.0221 for the winter and spring 1957 indicate the Department of State interest in a separate NSC paper for the Ryukyus.

Recommendation:

That you authorize me to inform Defense that the Department of State desires to withhold further action on the Executive Order until the NSC has had an opportunity to review the Ryukyuan question and, in any case, delay promulgation until after the Kishi visit in June.[6]

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[6] Robertson initialed his approval of the recommendation. Telegram 2344 to Tokyo, April 26, reads as follows: "Your 2351. Department has made your telegram available Defense and has indicated its concurrence your recommendation Executive Order not to be issued until after Kishi visit." (*Ibid.*, 794C.0221/4–1857)

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129. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, April 25, 1957—5 p.m.

2413. CINCFE message FE 804743[2] reports CINCFE position on issue now before Joint Committee jurisdiction subcommittee regarding Somagahara shooting case, and request expeditious review and confirmation of CINCFE position which maintains US has primary right jurisdiction. Message also referred to Embassy for comment as early as practicable.

Since interpretation of Administrative Agreement involved, Embassy requests Dept's views. We are under impression that strong legal arguments can be advanced on each side of case, turning on issue of whether deviations from course of duty during duty hours come within overall definition of "official duty" status under terms of Administrative Agreement. In addition there are obviously important political considerations at stake, in Japan as well as elsewhere. Matter is urgent not only because of pressures from Japanese side, but also because case already overdue for trial.

MacArthur

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[1] Source: Department of State, Central Files, 711.56394/4–2557. Confidential; Priority.

[2] Dated April 23, not printed.

130. Telegram from the Department of the Army to the Commander in Chief, Far East (Lemnitzer)[1]

Washington, April 26, 1957—6:03 p.m.

DA 921933. From TJAG signed TAG reference your FE 80473 23 Apr 57.[2]

This is Executive Agency Message.

1. Although on evidence presented question posed by Girard case is admittedly a close one, you nevertheless authorized maintain position U.S. has primary right to exercise jurisdiction.

2. FYI. We believe that matter must be resolved with Japanese in Joint Committee. Under all circumstances we believe resort to diplomatic channels would be unproductive and unwise. Moreover, desirable that trial of case take place without prolonged delay.

3. We believe that it would be most unwise for this question to come before Japanese court for decision. First, we do not wish establish precedent of official duty issues being determined by judiciary. Second, from our point of view Girard case a poor one for initial judicial determination. End FYI

4. Accordingly, desire that you continue to maintain position that U.S. has primary right exercise jurisdiction and attempt to resolve with Japanese. However, if, as appears likely, Japanese refuse agree, you authorized to allow Girard be tried by Japanese authorities. However, you should continue to maintain legal position that U.S. considers its certificate of line of duty correct. If necessary to permit Japanese trial you authorized to withdraw line of duty certificate although still maintaining legal position.

5. In view of possibility of Congressional interest this matter, it is obviously to our interest that Japanese charge Girard for least serious offense possible and consistent with administration of justice, and it may be possible for you to secure Japanese agreement on this point prior to agreeing to release of Girard for Japanese trial.

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[1] Source: Department of State, Central Files, 711.551/5–2057. Confidential; Priority. Attached to Document 137.

[2] Apparent reference to CINCFE 804743; see *supra*.

131. Telegram From the Department of State to the Embassy in Japan[1]

Washington, May 1, 1957.

2381. Embtel 2413.[2] Somagahara shooting case. Department considers contention that offense with which Girard charged arose out of an act done in the performance of official duty of dubious validity in light of facts contained FE 804366[3] which are said to be undisputed. Question is also raised whether, since interpretation of Administrative Agreement involved, position that US has primary right exercise jurisdiction should have been taken in Joint Committee without approval of Department. However, Department has seen info copy DA 921933 from TAG to CINCFE.[4] Since effect of this instruction will probably be to render legal question moot by allowing Girard be tried by Japanese authorities Department considers it unnecessary at this time to render an opinion on legal meaning of section 3(a)(ii) Article XVII Administrative Agreement as applied to Girard case.[5]

Herter

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[1] Source: Department of State, Central Files, 711.56394/4–2557. Confidential; Priority. Drafted and approved in L/EUR and cleared in NA. The time of transmission is illegible on the source text.

[2] Document 129.

[3] Not printed.

[4] *Supra.*

[5] DA 822301 from the Department of the Army to CINCFE, May 3, reads as follows:

"This is an Executive Agency Message.

"Info copy Embtel 2413 from State to Ambassador Tokyo received DA not coordinated with Dept of Def and is not to be considered as altering instructions contained in DA 921933.

"Instructions DA 921933 reaffirmed." (Department of State, Central Files, 711.561/5–2057; also attached to Document 137)

132. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 8, 1957—6 p.m.

2547. At Diet committee meeting yesterday, Kishi, modifying past stand, testified that Japanese constitution does not bar possession of nuclear weapons "for defensive purposes". Press quoted Kishi as stating "I do not think so-called nuclear weapons are prohibited entirely by constitution. In view of progress of science, we must have effective power to carry out modern warfare within scope self-defense." Kishi however assured Diet committee he had no intention of arming Self-Defense Forces with nuclear weapons or reversing opposition to US stationing of nuclear units in Japan. He did not on other hand express "doubt that opposition to nuclear weapons will continue to apply although it is hard predict future because nuclear weapons are progressing."

Responsible Foreign Office official commented to Embassy officer today that Kishi's statements to Diet represented his personal views on problem as expressed inside Foreign Office; presumably Kishi anticipated interpellations on this question since Socialists have publicized their intentions to do so; Socialists had been agitated about April 25 statement by Defense Agency chief Kodaki that it might be proper for JDA have "nuclear weapons to minimum extent necessary for sake of defense."

Initial press comment adverse, interpreting Kishi's statement as switch from past attitude absolutely rejecting nuclear weapons. Comments also warned against possibility of concessions to US viewpoint during Kishi's visit to Washington.

MacArthur

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[1] Source: Department of State, Central Files, 711.5611/5–857. Confidential.

133. Telegram From the Department of State to the Embassy in Japan[1]

Washington, May 14, 1957—3:09 p.m.

2502. Your 2587 through 2590.[2] Japanese are expecting too much from Kishi visit. It obvious that revision security and territorial arrangements now matters intense national interest Japan while American public unaware existence any problem. U.S. not psychologically prepared for revisions, but Kishi visit can help make American public aware of importance of revision to Japan and importance of Japan to U.S., in hopes paving way for substantive changes which can be discussed in a preliminary way during Kishi visit and which can be alluded to in Communiqué. Communiqué by carrying suggestion of possible future changes to accompany Japan's growing defense role may substitute for actual treaty revision which not now possible. Agree your suggestions for inclusion in Communiqué. Department now drafting Communiqué. Will forward Embassy well before June 8 meeting for discussion some parts with Foreign Office and Kishi.[3]

Dulles

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[1] Source: Department of State, Central Files, 033.9411/5–1157. Secret; Limit Distribution. Drafted in NA and approved by Parsons who signed for Dulles.

[2] In these telegrams, all dated May 11, MacArthur reported on Kishi's desire to hold extensive additional preliminary talks (prior to the June visit) and to work out in advance a detailed draft of a communiqué. The Ambassador stated that he had discouraged these proposals as tending to turn the preliminary talks into negotiations. Insofar as the draft communiqué was concerned, he had encouraged consideration of only the most general sections in advance. (*Ibid.*)

[3] MacArthur and Kishi met on June 6 rather than June 8. Telegrams reporting on the talk are *ibid.*, 033.9411/6–657. MacArthur does not appear to have presented a U.S. draft communiqué at this meeting.

134. Memorandum From the Director of the Office of Northeast Asian Affairs (Parsons) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, May 15, 1957.

SUBJECT

My Meeting with Acting Assistant Secretary of Defense Irwin on the Ryukyus

In accordance with your instructions, I met with Acting Assistant Secretary of Defense John N. Irwin on the afternoon of May 6 to determine the areas of disagreement between State and Defense on the Ryukyus.

Mr. Irwin raised for discussion and presented a Defense position on the following subjects. I countered wherever possible with a State position.

1. *Executive Order.*

a. Defense would like to have it promulgated as soon as possible. I explained that we would prefer to hold up promulgation until after the Kishi visit as this would give us a chance to talk to Mr. Kishi and explain our position in the Ryukyus as a part of our overall military position in the Pacific.

b. Defense would like the promulgation to be well publicized. I explained that while we would not want to draw excessive attention to it we would agree that it should be made well known to the Ryukyuans.

2. *Governor.*

a. Defense has agreed with our position that the Governor should reside in the Ryukyu Islands. He will be the military commander of the Ryukyu Islands Command and a lieutenant general. We agreed with Defense that it would be better to call him Governor rather than Governor General or High Commissioner. (I understand that the Budget Bureau, however, will not agree to the name Governor".)

b. Defense believes that the Governor should communicate with Washington through USARPAC, Honolulu, on all matters—including civil affairs. I explained our position that we would like to see the Governor directly under the Department of Defense on civil affairs matters as this would provide for prompt and immediate consideration of civil affairs problems by Washington. We decided that we could not reach agreement on this issue. It seems apparent that Defense wishes to keep civil affairs subordinate to the military chain of command which will insure that, as has been the case in the past, immediate military considerations receive primary attention. It would, furthermore, continue to downgrade civilian matters.

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[1] Source: Department of State, Central Files, 794C.0221/5–1557. Secret. Drafted in NA on May 10. The May 15 date appears on the source text, but is in the same handwriting as the file number, indicating that it may have been added some time later. Neither Parsons nor Robertson initialed the memorandum, indicating that it was probably not sent.

c. Defense suggested and we agreed that as the Governor would reside in the islands there would no longer be a need for a permanent Deputy Governor and that therefore the office should be abolished. When the Governor is absent from the islands the Deputy Military Commander will act as Governor.

3. *Standing Committee.*

Defense suggested that, rather than to establish a new advisory committee on Ryukyuan affairs, greater participation by the civilian agencies could be obtained by perfecting the existing system of liaison. I explained that we were interested in the committee only as a means of guaranteeing that all phases of Ryukyuan problems be fully considered when decisions are being made. We agreed that a compromise might be reached by designating specific individuals or positions in the interested agencies who would receive all pertinent communications and be consulted on all significant developments.

4. *USCAR and the GRI.*

a. Defense stated that less than 17% of the Civil Administration are military people and that the number of military personnel could hardly be reduced any farther. I explained that we are not interested in the actual number of military people in USCAR but rather in the complexion and attitudes of USCAR—that USCAR needs to be keenly aware of civilian problems.

b. Defense believes that combining USCAR and the Executive Branch of the GRI would not advance the development of political responsibility and knowledge in the Ryukyuans. I explained that in our view United States interests can best be served by working toward maximum Ryukyuan participation in their own government. This will not only work toward relieving our burden of running the Islands but also instill a greater feeling of responsibility on the part of the Ryukyuans. Even more important, we need to develop a greater Ryukyuan consciousness that the Islanders are benefitting from our administration; their participation in their own government should help this.

At the end of the discussion we decided that major disagreement existed only on two of the subjects which we had discussed: the time of the issuance of the Executive Order (1a) and the civil affairs channel of communications for the Governor (2b). I believe it is important that we hold out for our position on these two matters.

It will be far easier for the Japanese to accept the Executive Order for what it is and represents—i.e., merely a statement of the existing administration—and not see in it a new departure (which would revive, with vigor, the Japanese clamor for reversion of the Islands) if we discuss the Executive Order with them before issuance. An opportunity of discussing with Mr. Kishi and his advisors our military role in the Pacific and the part that Okinawa plays before the Executive Order is made public should decrease the likelihood of undesirable Japanese reactions.

If we are to avoid a perpetuation of the present situation, which John Steeves finds extremely unsatisfactory, in which all civil affairs matters are screened and interpreted by one or several military headquarters before they are referred to Washington, we must establish the standard practice of direct communication with the Department of Defense (with information copies to the military headquarters concerned).

Mr. Irwin listed several other topics which he thought ought to be discussed at some subsequent meeting:

5. *N.S.C.* Defense believes that the Ryukyus should continue as just a paragraph in the Japanese paper. (I continue to feel, however, that the benefit of our recent review, between Defense and State, of the Ryukyuan situation should be shared with higher officials of the United States Government through some mechanism.)

6. *Organic Act.* There is general agreement that we should have an Organic Act providing Congressional authority for Ryukyuan administration but disagreement as to the contents.

7. *Economic Planning.* State and Defense agree that planning is essential. There are differences, however, in methods.

8. *Wages.*

9. *Land Reclamation.*

10. *Housing.*

11. *Foreign Investment.*

12. *Currency.* State and Defense agree that something must be done about the present currency which is an occupation fiat currency. Defense wants to replace it with United States dollars. We would like to back the existing currency with dollars or replace it with a new Ryukyuan currency backed with dollars.

13. *Foreign Representation.* Defense is not happy about our sharing representation functions for Ryukyuans abroad with the Japanese.

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135. Memorandum of a Conversation, Department of State, Washington, May 15, 1957[1]

SUBJECT

United States Administration of the Ryukyu Islands

PARTICIPANTS

Mr. George H. Roderick, Assistant Secretary, Department of the Army
Mr. John N. Irwin, II, Deputy Assistant Secretary for International Security Affairs, Department of Defense

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[1] Source: Department of State, Central Files, 794C.022/5–1557. Confidential. Drafted in NA on May 17.

Lt. Gen. James E. Moore, Deputy Governor of the Ryukyu Islands
Mr. Arthur Way, Chief of Northeast Asian Division, ISA, OSD
Mr. Walter S. Robertson, Assistant Secretary for Far Eastern Affairs
Mr. Richard D. Kearney, Assistant Legal Adviser for Far Eastern Affairs
Mr. Howard L. Parsons, Director, Office of Northeast Asian Affairs
Mr. Harry F. Pfeiffer, Jr., NA

Following an exchange of amenities, General Moore stated that he would like to comment on present conditions in the Ryukyu Islands. He said that the United States administration of the Ryukyus was being impeded by the fact that there was no basic law and no basis for appropriations since the issuance of the Executive Order had been repeatedly delayed in view of various developments which indicated that the time was not propitious for the issuance of this order. [*15½ lines of source text not declassified*] General Moore stated that we should bear in mind that another Cyprus-type situation was possible in the Ryukyus and might have developed last summer had it not been for the rather placid Ryukyuan temperament.

Mr. Robertson stated that he would like to make one thing clear—that there was no difference in opinion between the Departments of State and Defense on our basic policies in the Ryukyus. The islands are strategically essential and the United States will remain there as long as necessary. To maintain our present position was also in the interests of the Japanese and Ambassador MacArthur had been instructed to inform Prime Minister Kishi that we have no intention to return the islands to Japan in the foreseeable future. Mr. Robertson stated that the question of timing of the promulgation of the Executive Order was not a matter of black and white. Both General Lemnitzer and Ambassador MacArthur had presented good cases for their respective positions favoring prompt promulgation and delay until after Mr. Kishi's visit. Mr. Robertson stated that we must recognize that the timing of promulgation was of great concern to the Japanese Government and said that he favored informing the Prime Minister of the content of the Executive Order and requesting his views with regard to promulgation prior to Mr. Kishi's visit. Ambassador MacArthur should also indicate to Prime Minister Kishi at that time that our position in the Ryukyus was not negotiable in order to make it clear to the Japanese that we would not cave in when confronted with persistent pressures. General Moore expressed agreement with this point of view.

Mr. Robertson stated that while the Department of State favored a continuation of military government in the Ryukyus, political problems in Japanese-American relations which were raised by our presence in the islands were of extreme importance. It is essential that problems arising from United States administration of the Ryukyus be the subject of close coordination between the Departments of State and Defense. These problems should be considered in Washington, rather than in Honolulu, to insure adequate consideration at the highest levels of Government. General Moore expressed agreement noting that the channel of communications should be so organized to insure that Ryukyuan problems would receive most effective consideration regardless of personalities involved. Civil affairs problems arising in Okinawa were principally the concern of Washington agencies. It was, of course, essential to keep CINCPAC fully informed of developments in the islands.

Mr. Irwin said he thought it would be advisable for Ambassador MacArthur when seeking Prime Minister Kishi's views on the timing of the promulgation of the Executive Order, to indicate to him at that time that the United States position on the land and education problems in the Ryukyus was not negotiable.

Mr. Robertson and Mr. Parsons stated that they thought it would be better to limit the MacArthur–Kishi discussion to the Executive Order to avoid delay. Mr. Parsons stated that it was important to communicate with Ambassador MacArthur as soon as possible in view of Prime Minister Kishi's plans to visit Southeast Asia in the immediate future.

Mr. Robertson said that he felt strongly that there should be a separate National Security Council paper on the Ryukyu Islands. This area was now much too important to be treated only as a paragraph in the NSC paper on Japan. Mr. Parsons said that a separate NSC paper would enable the high officials in the United States Government to benefit from the recent State and Defense review of the Ryukyuan situation.

Mr. Irwin stated that the Department of Defense preferred treating the Ryukyus in the Japan paper. Defense would be pleased to review this position but it might be felt that a separate paper was not required.

Mr. Robertson replied that the persons ultimately responsible for decisions regarding the Ryukyus should not be deprived of knowledge essential to the formulation of such policies.

The meeting terminated with general agreement that State and Defense should urgently review the Executive Order in order that Ambassador MacArthur could inform Prime Minister Kishi of its contents, stressing that the United States position on the Ryukyus was not subject to negotiation. At the same time. Ambassador MacArthur could obtain the Prime Minister's reactions as to the timing of the promulgation.

136. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 16, 1957—7 p.m.

2641. Deptel 2381.[2]

1. As result informal and confidential meetings US representative with FonOff and Justice Ministry officials for purpose agreeing on definitive arrangements for disposition issue of jurisdiction accordance instructions DA–921933 (reported to Washington by FE 805032),[3] US–Japan Joint Committee today approved following recommendation received from Criminal Jurisdiction Subcommittee: "without regard to question of whether alleged offense of Girard arose in performance of official duty it is recommended that US military authories notify Japanese authorities in accordance with paragraph 3–c of article [garble—XVII] of the Administrative Agreement, that it has decided not to exercise jurisdiction in this case."

[*Numbered paragraph 2 (2½ lines of source text) not declassified*][4]

MacArthur

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[1] Source: Department of State, Central Files, 711.56394/5–1657. Confidential.

[2] Document 131.

[3] DA 921933 is Document 130. FE 805032, dated May 14, is not printed. (Department of State, Central Files, 711.551/5–2057; also attached to the memorandum *infra.*)

[4] In telegram 2660, May 18, the Embassy reported on Japanese press reaction to the Joint Comittee's decision, and remarked: "There has been little or no comment." (Department of State, Central Files, 711.56394/5–1657)

137. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State[1]

Washington, May 20, 1957.

SUBJECT

Trial of Specialist 3/c Girard by Japanese Court

Considerable attention has been given in the press recently to the case (also known as the Somagahara Incident) of Specialist 3/c William S. Girard, who is accused of the fatal shooting of a Japanese woman on a United States firing range in Japan. A detailed summary of pertinent factors in the case follows.

Facts (Japanese and United States authorities in general agreement as to these facts.) On the afternoon of January 30, 1957, about thirty members of Girard's company were engaged in a small unit exercise at Camp Weir range area (called the Somagahara maneuver area by the Japanese) in central Japan. About twenty-five Japanese, engaged in salvaging expended cartridge cases, had been following the unit during the course of the morning exercises and had interfered to such an extent that ball ammunition was withdrawn from the troops.

During a short recess, Girard and another soldier were ordered by their platoon leader, a lieutenant, to guard a machine gun and some items of personal clothing in the maneuver area. Girard had a grenade launcher on his rifle. After arriving at the gun position, Girard picked up and threw expended cartridge cases in the direction of the Japanese "brass-pickers" and beckoned for two of them, a man and a woman, to come to gather these empty cartridge cases. After they had drawn near, Girard suddenly shouted to the man and woman to leave, and placing an expended cartridge case in the grenade launcher attached to his rifle, fired at the man. He then placed another expended cartridge case in his grenade launcher and fired at the woman, striking her in the back. An autopsy disclosed that the expended cartridge case penetrated her back to a depth of three to four inches, causing her death (Tab A).[2]

Jurisdictional Question Involved. Criminal jurisdiction over American forces in Japan is governed by the provisions of Article XVII of the Administrative Agreement (in effect an annex to the Security Treaty between the United States and Japan), which are similar to the provisions of the NATO Status of Forces Agreements (Tab B).[3] The Japanese have been lenient in the exercise of the right of jurisdiction which derives from this agreement (Tab C).[4]

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[1] Source: Department of State, Central Files, 711.551/5–2057. Secret. Drafted in NA on May 21. Sent through Murphy. The May 20 date is stamped on the source text.

[2] Tab A consists of telegrams FE 804366 and 804372, summaries of the facts in the case. (Department of Defense Files)

Paragraph 3 of Article XVII states that the military authorities of the United States shall have the primary right to exercise jurisdiction over members of the United States armed forces or the civilian component in relation to "offenses arising out of any act or mission done in the performance of official duty". The question of jurisdiction in the Girard case turns on the issue of whether Girard's actions vis-à-vis the "brass-pickers" were a deviation from the course of duty.

United States Position. The United States military authorities in Japan concerned with this case contend that Girard was ordered to guard the gun position and that the shooting incident arose in the performance of official duty.

Japanese Position. Japanese authorities admit that Girard was on duty but contend that the shooting had no connection with his duty of guarding the machine gun. They assert that the act of Girard in throwing out the expended cartridge cases and enticing the Japanese woman toward him had no connection with guarding the machine gun. They accept Girard's contention that he had no intention to shoot the Japanese woman and have expressed the belief that Girard acted only in a mischievous manner, perhaps "intending to have fun in a child-like way".

Present Status of Case. The Socialist opposition in Japan contended that this was a wanton and intentional act and succeeded in arousing considerable public indignation. In view of the differences between the American and Japanese sides as to whether the offense with which Girard is charged arose out of an act done in the performance of official duty, the Joint Committee, as provided in the Administrative Agreement, referred this question to a joint Japanese-American Criminal Jurisdiction Subcommittee, which began its consideration of the issue on March 12. By the end of April it was obvious that neither side would change its position. The Department of the Army thereupon informed CINCFE that it believed that resort to diplomatic channels, as required by Article XXVI of the Administrative Agreement, in cases where agreement cannot be reached in the Joint Committee would be "unproductive and unwise," and instructed CINCFE to resolve the matter in the Joint Committee, authorizing the Command "to allow Girard to be tried by Japanese authorities," if necessary (Tab D).[5] This decision was not cleared in the Department of State. The Department of Defense was also erroneously of the impression that in case of disagreement in the Joint Committee the question of whether the act was in performance of official duty would have to be decided by the Japanese courts. It did not desire to have the question decided by these courts. The Girard case was also felt to be a poor one for initial judicial determination (Tab D).

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[3] Tab B is the text of Article XVII.

[4] Tab C is a statistics sheet (not found attached).

[5] Tab D is DA 921933, Document 130.

In view of the desirability of trying Girard for the alleged offense as quickly as possible and in view of the impasse on the question of Japanese or American jurisdiction, a compromise was reached in which the United States decided not to exercise jurisdiction in the Girard case. This was done without prejudice to the United States position that the alleged offense of Girard arose in the performance of official duty. As part of this compromise a confidential arrangement was concluded in accordance with which Japan agreed to indict Girard on no greater charge than wounding resulting in death, under Article 205 of the Japanese Penal Code, for which the penalty is two to fifteen years. This is the least serious offense for which it is reasonable to indict Girard under Japanese law. Japan also agreed to recommend, through Japanese procuratorial channels, that the Japanese court mitigate the sentence to the maximum practicable extent, considering the circumstances of the case (Tab E).[6]

The decision to allow Girard to be tried by Japanese authorities was made by the Department of the Army without consultation with the Department of State (Tab D). When the Department discovered that this decision had been made it voiced exception to the Department of State not being consulted in this matter since an interpretation of the Administrative Agreement was involved. (See Deptel 2381 to Tokyo, Tab F)[7] The Department of the Army instructed CINCFE to ignore this message and reiterated its instruction authorizing CINCFE to agree to the exercise of jurisdiction by the Japanese (Tab F). Embassy Tokyo has been kept fully informed, however, of the Far East Command position in the Girard case. The Embassy concurred in the message from CINCFE to the Department of the Army reporting that the Japanese had been notified, in accordance with instructions from the Department of the Army, that the United States would not exercise jurisdiction in the Girard case (Tab F). A complete file of all messages exchanged between Embassy Tokyo and the Department on the Girard case is attached (Tab G).[8]

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[6] Tab E is FE 805032 to the Department of the Army, May 14; see footnote 3, *supra*.

[7] Telegram 2381 is Document 131. Tab F also consisted of copies of telegrams 2413 from Tokyo, April 25, and DA 822301 to CINCFE, May 3. The former is Document 129; regarding the latter, see footnote 5, Document 131.

[8] Not found attached.

Although the administrative machinery provided in the Administrative Agreement requires the use of diplomatic approach as a final step in cases of disagreement, this requirement was avoided by the decision to allow the Japanese to exercise jurisdiction.

Recommendation:

That the Department of State adopt the position that a binding agreement has been entered into with the Japanese in the Joint Committee (i.e., the United States has decided not to exercise jurisdiction in the Girard case) and that we should live up to this agreement.[9]

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[9] The source text bears no action notation.

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138. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 20, 1957—7 p.m.

2683. Embtel 2662.[2] I met with Kishi afternoon May 20. Ohno, Chiba, Takeuchi, Carpenter also present. Kishi commenced conversation by reading from prepared statement, text of which is as follows:

[*Text of Kishi's statement (1 page of source text) not declassified*]

I replied to Kishi that US Government is obliged to issue Executive order in connection with Congressional hearings re budget, forthcoming [garble] changes in FEC command and necessity tie up previous administrative orders in one package. However, despite fact order must be issued, as I had made clear May 18, US desired to consult beforehand with Kishi to get his views on timing having in mind his Washington visit. I realized Kishi was expecting discuss Okinawa problems among others with President and for this reason he might desire postponement issuance Executive order until after visit. If Prime Minister felt it preferable defer issuance Executive order until after his return from Washington, I was prepared make strong recommendation to this effect, which I thought would be accepted. I emphasized however that I did not believe there was possibility cancelling issuance.

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[1] Source: Department of State, Central Files, 794C.0221/5–2057. Secret; Niact. Passed to CINCFE. Received at 10:37 a.m.

[2] In telegram 2662, May 18, MacArthur stated he had seen Kishi that day, given him information on the desire of the United States to issue an Executive order on governance of the Ryukyus, and left with him a summary of the order (see footnote 3 below). MacArthur reported that he had asked for Kishi's views as to the timing of the proposed order. (Department of State, Central Files, 794C.0221/5–1857)

In reply Kishi stated he sincerely hoped Executive order would not have to be issued at all but if no possibility of avoiding issuance, he felt it better have it issued prior to his trip to Washington. In his opinion if issuance delayed until after his return, repercussions within Japan would be even greater. It would look as if he had been consulted in Washington and had agreed to issuance. He regretted however that US felt obliged to replace existing arrangements with Executive order. Fact that Executive order was signed by President would attract much attention.

I said to Kishi that I felt he should think about timing of issuance of Executive order not just in light of immediate situation but long term future relationships between Japan and US. With this in mind did he feel effect on our relations, which he had said he desired to do everything to strengthen, would be better by issuing order now rather than following his visit, for example later in July? Kishi reflected and said again that he regretted issuance of order but if we had to issue it, it preferable to do so before his visit.

He was particularly disturbed by wording of first sentence of preamble. He had in mind that this would be interpreted throughout Japan that it was a permanent and new arrangement for Ryukyus. If we had to issue Executive order, and he still hoped we could find some way to avoid doing so, he hoped very much first sentence of preamble would simply make reference to Article 3 of peace treaty with no elaborations or trimmings.[3] He added that while he recognized that substance in first sentence of preamble had been used previously by US, in light of present circumstances he felt very strongly it would [*should*?] be changed to prevent general impression of permanency in arrangements which would be widespread throughout Japan. I said I would of course report his views to Washington but I understood we were obliged to issue Executive order.

My estimate is Kishi believes tremendous hue and cry will break out in Japan when Executive order is issued and therefore wishes to disassociate himself from it. By giving me copy of his statement opposing issuance of Executive order he has placed himself on record that he is against it. I think he understands we must issue order but my own strong recommendation is that because of timing in relation to forthcoming Kishi visit we try to find some simple formula for preamble which simply makes reference to Article 3 of treaty. I am not informed by Department as to what publicity is going to be given to issuance of Executive order, how we intend to play it, or when it will be issued. Certainly anything we can do to slide it through with minimum publicity and make it appear routine thing, perhaps related to change of governorship and need for putting onto one piece of paper the related existing administrative arrangements, will be very important. Would appreciate being kept urgently informed re plans for issuance, publicity, and whether anything can be done re preamble.

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[3] The summary given Kishi by MacArthur was based on the summary transmitted in telegram 2532 to Tokyo, May 16. As telegraphed, the summary of the preamble reads: "Pending establishment enduring conditions peace and stability Far East it is policy US maintain degree of control and authority now exercised with respect Ryukyu Islands under Article 3 Treaty of Peace in order enable US contribute effectively maintenance security in area. US mindful importance human rights, dignity of human person and striving peoples everywhere govern themselves accordance democratic concepts." (*Ibid.*, 794C.0221/5–1657)

MacArthur

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139. Memorandum of a Telephone Conversation Between the Secretary of State and the Assistant Secretary of Defense for Public Affairs (Snyder), Washington, May 20, 1957, 12:47 p.m.[1]

TELEPHONE CALL TO MURRAY SNYDER

The Sec referred to the fellow being turned over to the Japanese court and said there is a good deal of evidence to suggest Defense is trying to place the responsibility on State. S heard that on the radio from Japan. The Sec said the people here say the same thing and the Sec does not think the facts justify it and we don't want a public controversy about it. There are Congressional inquiries. The Sec said S might check on what is going on. S talked with the Army and said to say nothing until Wilson gets the report back. It is a delicate thing and S hopes we can get agreed facts. S thinks anybody in State who observed should sit down with the Defense counterparts and clear up that end. There are no papers to indicate State advised in any way. We have been getting it verbally, said S. The Sec said something re the decision being made in Defense in the Pentagon. S said no—the decision to relinquish jurisdiction was made by the Joint Comm on the basis of a message sent by the Army to the Judge Advocate General giving him authority but what part anyone else played—in Tokyo or here—Bob Deckhardt[2] is trying to nail that down.

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Drafted by Phyllis D. Bernau.

[2] Robert Dechert, General Counsel of the Department of Defense.

140. Telegram From the Department of State to the Embassy in Japan[1]

Washington, May 20, 1957—3:48 p.m.

2560. For Ambassador. With regard Girard case Department has taken public position that decision permit Japanese courts try Girard made by Defense Department in its capacity as being responsible for US participation in Joint US-Japanese Committees.

Morning radio stated decision permit Japanese courts try Girard made by Department of State. Congressman Bow[2] called Robertson to ascertain reasons for this decision. In discussion Congressman Bow stated that high Defense Department official had advised him that Defense wanted retain trial Girard in US hands but Department of State argued them out of it. State has had no such conversations with any Defense officials. Defense instructions (DA 921933, April 26, 1957)[3] forwarded Tokyo without consultation with State and State only, received info copy this message after transmission. In reviewing all messages received from Embassy we find no evidence that any such advice was given by you or your staff. Advise urgently whether any action to contrary was taken.

Dulles

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[1] Source: Department of State, Central Files, 711.551/5-2057. Secret; Niact; Limit Distribution. Drafted and approved by Robertson who signed for Dulles.

[2] Frank T. Bow of Ohio, a member of the House Appropriations Committee.

[3] Document 130.

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141. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 21, 1957—5 p.m.

2690. Re Deptel 2560.[2]

1. Through Embassy officer designated to work with US section Joint Committee in accordance with 1952 Presidential directive, Embassy has been kept informed of major developments in case and, although with occasional time-lapses, has been given or loaned copies

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[1] Source: Department of State, Central Files, 711.551/5-2157. Secret; Niact; Limit Distribution; No Distribution Outside Department. Received at 4:53 a.m.

[2] *Supra*.

of significant documents. In course normal working relationships case was of course discussed by Embassy officers with FEC officers. However Embassy's position throughout consideration this case has been that as long as it was being considered in Joint Committee, responsibility of decision lay exclusively with FEC.

2. Copy of FE–804743[3] was sent to Embassy after transmission, and without any prior consultation or information in drafting or decision stages, with written request for our comments. We did not make any comments to FEC. Following receipt of Deptel 2381[4] Ambassador had conversation with General Lemnitzer during which latter showed him full text of DA–921933[5] which had not been shown to Embassy before. Ambassador told General Lemnitzer he hoped solution could be reached in Joint Committee because if no solution reached it would almost inevitably be raised by Japanese through diplomatic channels, which seemed undesirable. General Lemnitzer said his representative Joint Committee would proceed in accordance with instructions he had received in DA–921933, and would make every possible effort to gain Japanese agreement to US retaining jurisdiction.

3. An American press correspondent in Tokyo told us "there is a report that Embassy was asked for interpretation of Administrative Agreement concerning jurisdiction of Girard case and that Embassy gave interpretation which guided Committee in its decision". FEC personal comment to us was that no such comment had been made. Another correspondent told us he had been told "military asked Embassy if under terms of agreement the man must be turned over to Japanese and after conferring with MacArthur Embassy legal adviser said yes".

4. In order put this issue in correct light and minimize cross-argument between Embassy and FEC we have been saying in response to such stories "decision that SP3 William S. Girard will be tried by authorities of Japan resulted from consideration of case in machinery of Joint Committee in accordance with procedure of Administrative Agreement. Under these procedures, neither Ambassador nor any other Embassy officer approved or disapproved proposed action but Embassy was at all stages kept fully informed". We have declined to comment further on current developments of case.

5. UP story from Washington May 17 carried statements that Department had been consulted by "American military officials in FE and Pentagon" and "gave its approval" to action taken by FEC. INS story from Washington May 17 included this sentence, "State Depart-

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[3] See Document 129.

[4] Document 131.

[5] Document 130.

ment sources said FEC decision to turn Girard over to civil authorities—an unprecedented case—was based on mutual decision of both State and Defense Departments".

MacArthur

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142. Supplementary Notes on the Legislative Leadership Meeting, Washington, May 21, 1957, 8:30–10:30 a.m.[1]

[Here follows discussion of unrelated matters.]

Girard Case—Sec. Brucker recounted at length the facts and conflicting stories of this incident. The Leaders were primarily interested in why Girard had been turned over to the Japanese for trial. Mr. Brucker explained that under our treaty with the Japanese, a soldier's commanding officer certified if he was on official duty when something goes wrong. Generally this is sufficient, but in the Girard case, the Japanese exercised their treaty right to dispute the certificate and have the matter referred to a two man Commission (one Japanese, one American). If they disagree, it continues at stalemate until some sort of agreement is reached. In this instance, the two parties disagreed at first. Experts within the Defense Department also disagreed as to what our position should be. As a result of disagreements among our legal experts both in Washington and in Japan, the matter was referred back to the Admiral who was our member on the commission, the decision being left with him. He then agreed to Japanese exercise of jurisdiction.

Sec. Brucker said he believed the United States should retain jurisdiction and bring Girard before a court martial. Accordingly, he intended to clear with State Department, then send out a cable[2] directing that we vacate our earlier action and that we assert our jurisidiction and bring Girard to military trial. The cable would go to Gen. Lemnitzer. The Japanese, however, would be able to press their point of view under the treaty, and the Joint Commission would have to listen to the argumentation.

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[1] Source: Eisenhower Library, Whitman File, Legislative Meetings. Confidential. Drafted by Minnich.

[2] See footnote 2, Document 147.

Sen Dirksen[3] asked whether State Department officials had had a hand in making the final decision. Sec. Brucker did not know whether or not State might have been the channel (in Japan) for communication with the Admiral on the Joint Commission.

Mr. Brucker asked that the Leaders not say anything until he had had a chance to clear with State and get the cable on its way.

Sen Knowland spoke strongly on U.S. jurisdiction over U.S. soldiers. With Sen. Bridges'[4] help he went back over some of the Senate debates and the Bow amendment.[5] He asked that Mr. Bruker keep them well informed.

LAM

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[3] Everett McKinley Dirksen of Illinois, Minority Whip.

[4] Styles Bridges of New Hampshire, a member of the Armed Services Committee.

[5] Representative Frank T. Bow of Ohio introduced into the House Foreign Affairs Committee a resolution calling for modification of all status of forces agreements to provide for exclusive U.S. jurisdiction over servicemen charged with crimes in foreign countries.

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143. Memorandum of a Telephone Conversation Between the Secretary of State and the Secretary of the Army (Brucker), Washington, May 21, 1957, 10:57 a.m.[1]

TELEPHONE CALL TO SEC BRUCKER

B returned the call and the Sec said on the Japanese thing he hopes B realizes he is playing for pretty big stakes and the Sec does not know that the whole future of our relations with Japan ought to be determined in response to newspaper furor and B agreed. B is sure it will not get off the track. The Sec wants to be sure they are living up to their rights. B said it states it is without prejudice to their rights and they can go ahead under the treaty. B feels it gets it back on the tracks where it belongs and feels it is less difficult. B said they are planning to put it back to the status quo ante where we will begin court martial proceedings and the notification we would yield is to be vacated without prejudice under the rights of the treaty and have them take regular course under the treaty. There was an abortive attempt by these people which involved trial and sentence and it was made off the record and secret which is against anything in the treaty and that cannot stand. We have to go one way or another. The Sec said he has not gone into the facts but wants to be sure B is punctiliously living up to the agreement because if B does not our whole relationship with Japan may be in jeopardy and it is pretty important. B agrees and will say in the cable[2] this shall be without prejudice. It does not deprive the US or Japan of any rights. The Sec repeated about being careful as the relationship is precarious and it is vital to our security interests there and it is up to B's people to live up to agreements. B thinks it does and has gone over it with the legal and policy people. The Sec said there is a provision for referral to the Joint Comm. B said yes and we say that and if can't agree then to the two govts and if they can't agree Japan has the right in their own court to make the determination and we have the right to make a presentation and we reserve, etc. The Sec mentioned had they considered reversing the decision of the Joint C and B said yes. B would be happy to talk with the Sec anytime about this.

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Drafted by Bernau.

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[2] See footnote 2, Document 147.

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144. Memorandum of a Telephone Conversation Between the Secretary of State and the Secretary of the Army (Brucker), Washington, May 21, 1957, 12:26 p.m.[1]

TELEPHONE CALL TO SEC BRUCKER

The Sec said he was talking with the Pres and he wonders whether we should not say we think we made a mistake and are going to have to reconsider our position and can't agree so propose it be dealt with through diplomatic channels. Br would not have any power over that. All he can do is with his commander and then he exhausts his power when he tells him to go ahead with the court martial and something else I didn't get.[2] If a statement were made with ref to the govt level or anything like that B would not have anything to say. The Sec understands that but . . . .[3] Whatever, said B, the Pres does B would of course applaud. The only thing B wants is to get it back on the rails etc. The Sec referred to the cable of 4/26[4] re no resort to dip channels so he wanted to speak to B. B said we would not have any part in that—B thinks he should not get into anything beyond this step. The Sec said B has to say in light of the facts B believes a mistake was made in the Joint Comm and it is not possible to agree to Japanese jurisdiction and consequently it should be dealt with through govtal channels which the treaty provides. B thought it best not to go into the treaty except to say it is without prejudice. The Sec would like to see what B is sending out and B will have it called over.[5]

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Drafted by Bernau.

[2] Presumably this is Bernau's comment.

[3] Ellipsis in the source text.

[4] Reference is to DA 921933, Document 130.

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[5] See footnote 2, Document 147.

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145. Memorandum of a Telephone Conversation Between the Secretary of State and the Assistant Secretary of State for Far Eastern Affairs (Robertson), Washington, May 21, 1957, 2:35 p.m.[1]

TELEPHONE CALL FROM MR ROBERTSON

R said he talked with Radford and he agrees we made an agreement and made [it] with them in good faith and we should stand by it and he will do what he can. It would be catastrophic to welsh on it. R thinks the message[2] should not go out. It is unilateral and will produce all the bad results. The Sec was not absolutely sure of this and read the last part re without prejudice etc. R mentioned the message to MacArthur.[3] We should hear from him before the other goes. The Sec will write to Brucker.

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Drafted by Bernau.

[2] See footnote 2, Document 147.

[3] Apparent reference to telegram 2570 to Tokyo, sent niact at 3:45 p.m. on May 21. It reads as follows:

"Defense desires unilaterally rescind agreement reached Joint US-Japanese Committee permitting Japan try Girard. Department greatly concerned impact of such action in Japan. Desire niact your assessment reaction Japan and impact US-Japanese relations such course action.

"In view strong Congressional feeling, it has been suggested as alternative to abiding decision reached Joint Committee matter be referred to Governments through Diplomatic channels in accordance Article XXVI paragraph 3 Administrative Agreement. Desire your appraisal feasibility this course action." (Department of State, Central Files, 711.551/5–2151)

This telegram was prompted apparently by a suggestion of Robertson's. See footnote 2, Document 147.

146. Memorandum of a Telephone Conversation Between the Secretary of State and the Assistant Secretary of Defense for Public Affairs (Snyder), Washington, May 21, 1957, 2:58 p.m.[1]

TELEPHONE CALL FROM MURRAY SNYDER

S read a statement Wilson and Brucker want to issue and the Sec said he does not agree to it.[2] It is being handled in a precipitate manner without adequate thought to what is involved. The Sec read his letter.[3] The Sec does not understand why just because some of these people in Congress get excited we feel we have to jump through the hoop and jeopardize our position in the FE. The least result is we take our forces out. The Sec mentioned discussing it and getting agreement of facts and the law and if possible the stakes involved and if there is not some better way to work it out than by tearing up the agreement. S said Brucker wants to get it back to where it was the day after and then proceed. The Sec knows that but when you take steps you can't always retrace them unless the other fellows lets you. S mentioned the meeting they had with the Leaders at the WH this a.m.[4] The Sec said you can do more harm in this and take away the good from MSA. S mentioned trying to get consultation Friday.[5] The Sec said he is still in our hands so why rush? S said the message has not been sent. The Sec said we have sent a message to MacArthur.[6] S said B is under pressure. S said for the Sec to set a meeting. The Sec mentioned tomorrow. S will ask B to call back.

B did not call back but they will meet at 4:15 today.

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Drafted by Bernau.

[2] Not found.

[3] *Infra.*

[4] See Document 142.

[5] May 24.

[6] See footnote 3, *supra.*

147. Letter From the Secretary of State to the Secretary of the Army (Brucker)[1]

Washington, May 21, 1957.

MY DEAR SECRETARY BRUCKER: I have your proposed message to CINCFE Tokyo with reference to the Girard case.[2]

I fear that having once accepted the jurisdiction of the Joint Committee and having agreed to Japanese jurisdiction, all in accordance with the Administrative Agreement, an attempt now abruptly and unilaterally to reverse our position would be understandably judged by the Japanese to be a repudiation of our international agreement with them. The consequences of this could profoundly and adversely affect our position in Japan, our relations with Japan and our whole position in the Far East.

Can there not be any more careful study of whether and how the United States can extricate itself from the present position without serious damage to our national security interests?

Sincerely yours,

John Foster Dulles[3]

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[1] Source: Eisenhower Library, Dulles Papers, White House Memoranda. Secret. Drafted by Dulles.

[2] A copy of the proposed message, bearing the notation "Telephoned from Defense Dept.", is attached to the source text. It reads as follows: "For Lemnitzer from Brucker. This is an Executive Agency message. You will direct the officer presently exercising general court martial jurisdiction over Specialist Third Class William S. Girard to proceed without delay to process under the uniform code of military justice the allegations which have been made against Girard. You will also direct the United States representative on the Joint Committee, first, to withdraw his notification to the Japanese representative that the United States has decided not to exercise jurisdiction in the case of Sp.-3 Girard and, secondly, to reaffirm the position that Girard's actions were done while acting in the performance of official duty at the time of the incident. The prompt exercise of court martial jurisdiction by the United States in this manner is without prejudice to the rights of the Japanese to press their point of view."

The draft message is accompanied by a brief note to Dulles from his secretary, Mildred J. Asbjornson: "Mr. Robertson said re the attached that in his opinion this message should not be sent to Tokyo even if it required Presidential action to prevent it. He thinks we should explore possibility of having Japanese agree to refer question to Governments in accordance with Article 26 of administrative agreement."

[3] Printed from a copy that bears this typed signature.

148. Memorandum of a Meeting, Secretary Dulles' Office, Department of State, Washington, May 21, 1957, 4:15 p.m.[1]

GIRARD CASE

PRESENT

The Secretary
G—Mr. Murphy
FE—Mr. Robertson
P—Mr. Berding
L—Mr. Raymond
NA—Mr. Parsons
S/S—Mr. Howe

Defense

Secretary Brucker (Army)
Assistant Secretary of Defense Murray Snyder
Major Gen. Jones[2]
Major Ivan[3]

Action

Asked the Secretary of the Army to instruct CINCFE not to submit Girard to Japanese arraignment for the time being; *instructed* Embassy Tokyo a) to consult the Japanese government and to state our desire to withdraw notification of permission for the Japanese to try Girard without prejudicing the question of jurisdiction, and to discuss the matter at the diplomatic level, b) to inquire whether the Japanese would find it beneficial if a U.S. court martial of Girard were to be initiated immediately and proceed concurrently with the diplomatic discussions.[4]

After considerable and involved discussion of the legal points, it was agreed by all that in the event of disagreement in the Joint Committee the problem was to be taken up by the two governments; that an earlier interpretation of the agreement was incorrect which suggested that the ultimate decision, if there was disagreement in the Joint Committee, would lie in the Japanese courts.

It was pointed out that the Japanese had now issued a notice of indictment, set a date of June 21 for the trial, and appointed judges and that in so doing they were acting in complete good faith pursuant to the secret arrangement made when the Joint Committee had been unable to agree. CINCFE had asked urgently for instructions as to whether Girard should be sent to arraignment. The Secretary at the outset had pointed out that he felt that the matter should be put into diplomatic channels as soon as possible and have Ambassador MacArthur explain to the Japanese the depth of feeling involved, hoping that he could prevail upon the Japanese to agree to reconvening the Joint Committee to reconsider the case. The Secretary speculated on the possible consequences if the Japanese should proceed to try Girard in absentia and sentence him and at the same time our Military would carry out a court martial, sentence him and inflict the penalty. In the end, after discussion of various aspects of this possible course, the Secretary felt that we should check with Ambassador MacArthur for his views on at least the possibility of having a court martial undertaken immediately. In this connection, General Jones felt that a court martial might take as little as 15 days although it could take considerably longer, especially with the full right of appeal.

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[1] Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Fisher Howe.

[2] Major General Herbert M. Jones, Adjutant General of the Army.

[3] Major G.A. Ivan, a Military Assistant to Secretary Brucker.

[4] These instructions were transmitted in telegram 2576 to Tokyo, sent niact that evening. (Department of State, Central Files, 711.551/5–2157)

In considering the desirability of Ambassador MacArthur taking up immediately with the Japanese government the possibility of reconvening the Joint Committee, the Secretary discussed a number of related facets. He pointed out that it was quite important that we take no step which would disparage the secret arrangement which had been made to avoid the Joint Committee impasse, as such practical solutions are frequently most advantageous. The timing of the approach to the Japanese and any court martial was considered in relation to the impending Kishi visit. Secretary Brucker pointed out the pressure from Congress on this matter to which the Secretary pointed out that the principal concern of Congress was that we not unduly turn over Girard to Japanese jurisdiction which by the present course of action we were not, at least for the time being, doing. The Secretary felt that Ambassador MacArthur could discuss fairly frankly with the Japanese that the position we had taken in the Joint Committee was ill-advised; that neither side would want to consider the actions of the Joint Committee irrevocable; that in any event we could not consider the decision irrevocable until we had acted by turning over the body to the Japanese courts; that raising it at the government-to-government level and putting it back into the Joint Committee did not in any way prejudge the question of jurisdiction.

Secretary Brucker agreed to the course of action in taking the matter to the Japanese and to instructing CINCFE not to turn over Girard for the time being. He agreed that he should not send out the telegram he had drafted and read to the Secretary. It was understood that court martial proceedings would not be instituted until we had heard from Ambassador MacArthur.

149. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 22, 1957—7 a.m.

2711. Re Deptel 2576.[2] I saw Ishii (acting Prime Minister and Foreign Minister) this afternoon and, after describing intense public and Congressional reaction and very serious implications of case on long term relations of two countries, I said I was instructed express our desire to withdraw notification resulting from agreement in Joint Committee and to propose instead that settlement be sought through diplomatic channels. I urged that GOJ not proceed further with judicial procedures in connection with proposed trial while discussions between two governments in process. I expressed appreciation of importance of problem to both governments but urged that it be settled in way which would prevent lasting damage, and compromise many of common objectives two governments were now seeking.

Ishii responded he was informed of repercussions in US but trusted that political importance of question in Japan likewise understood. Proposal would have very serious political repercussions particularly since Japanese thought it had been disposed of in Joint Committee which had reached decision only after long and careful discussion and consideration on both sides. He said Japanese felt Joint Committee decision had had ample justification. He said he could not give response now because of gravity of matter but said our proposal would be carefully studied and he would let me know when he had a reply.

Ishii asked whether Washington had been kept fully informed of both sides of the case. He said he asked this because press accounts in US seemed to be distorted and one-sided and showed no awareness of what had actually happened. I said I understood FEC had been reporting main developments to Washington but that I would check.

As to press interest in our talk, it was agreed that we would say I had made courtesy call on newly appointed acting Foreign Minister and discussed one or two points in connection with Kishi visit. If asked whether we discussed Girard case, we would say that had been touched upon.

I did not make reference to possibility of immediate court-martial procedure. Neither FEC with whom we consulted nor Embassy understood reference to "prerogative" mentioned in reference telegram[3]

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[1] Source: Department of State, Central Files, 711.511–Girard, William S./5–2257. Secret; Niact; Limit Distribution. Received at 7:05 a.m.

[2] See footnote 4, *supra*.

[3] In telegram 2576, the Department, after instructing MacArthur to point out that the United States considered agreements such as that worked out by the Joint Committee revocable until the individual was turned over for trial, stated: "Army desires

Continued

since at present stage of case, for US to proceed with court martial would apparently be clear contravention of Administrative Agreement and supporting documents. Another important reason was that such a proposal put forward at this time would, I feel sure, seem to Japanese to be entirely inconsistent with notion of settling question of jurisdiction through diplomatic channels, particularly when we ask them to take no further judicial steps while discussions between two governments in process. I should note that at this particular juncture sentence by US court-martial, even if possible under applicable agreements, would in our opinion have no effect on Japanese desire exercise jurisdiction this case.

Repeated information CINCFE by other means.

MacArthur

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proceed immediately with court martial in accordance with their prerogative. Inquire whether Japanese would find it useful for United States to proceed immediately with court martial while governmental discussions in process. Possibility exists that United States court martial under which minimum sentence would be three years might prove satisfactory to Japanese in this case."

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150. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State[1]

Washington, May 22, 1957.

SUBJECT

The Bonin Islands

Ambassador MacArthur has strongly urged (Tab B)[2] that the United States permit the return of a few hundred former residents of the Bonins to those islands on which we do not maintain important security installations. In support of his recommendation he points out the inconsistency of refusing to permit the return of a small number of Bonin Islanders for security reasons when there is a large local population in the Ryukyus where we have much more important military installations. He also notes that allowing only those of Caucasian ancestry to return leads to charges of racial discrimination.

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[1] Source: Department of State, Central Files, 794C.0221/5–757. Secret. Drafted in NA on May 21.

[2] Tab B, telegram 2526 from Tokyo, May 7, was not found attached. (*Ibid.*)

Our policy of keeping a relatively small number of Japanese out of the only potentially strategic Bonins for security reasons, when we allow 800,000 "Japanese nationals" in the Ryukyus where we have large and important military installations, seems capricious to the Japanese and tends to undermine their confidence in our intentions and pronouncements concerning the Ryukyus. Moreover, the exclusion of "Japanese" where "Caucasians" have been admitted is reminiscent of our former Oriental exclusion policy and arouses intense resentment.

Prime Minister Kishi is committed to readjust relations with the United States, and both political parties have great expectations of the Washington visit. In my judgment we must somehow accommodate the reviving Japanese nationalism with respect to which the Bonins have become an important symbol. To make our Ryukyu and Bonin policies consistent and to remove causes of resentment by permitting the repatriation of some of the former inhabitants is, I believe, worth considering, and I concur with Ambassador MacArthur's recommendation that our policy be reviewed. To that end I attach a draft position paper (Tab A), which I would like you to consider for use during your talks with Prime Minister Kishi in June. This paper incorporates Ambassador MacArthur's suggestions.

Recommendation

That you approve the draft position paper[3] (Tab A) and authorize me to seek the concurrence of the interested departments.[4]

[Tab A]

BONIN ISLANDS

Anticipated Japanese Position

1. United States military needs in the Bonins are not incompatible with repatriation of at least a portion of the 7,000 former residents now in Japan.

2. During the next ten years control of the islands exercised by the United States pursuant to Article 3 of the Peace Treaty should be returned to Japan.

3. The United States should honor claims of former residents who are prevented from returning to or making use of their property in the islands because of the United States policy against repatriation.

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[3] Inserted in Dulles' handwriting after the word "paper" is: "as possible part of satisfactory over-all understanding".

[4] A marginal notation on another copy of this memorandum attached to Document 165 indicates Dulles approved this memorandum on June 5.

Recommended United States Position

1. United States willing repatriate a few hundred of the Bonin Islanders to islands on which there are no important military installations.[5]

2. Continuing threat to free world security requires retention of full administrative control over Bonins where United States has important security installations. However, the Bonins will be returned to Japan when there is assurance of peace and stability in the area.[6]

3. The United States is not legally liable to pay claims of former inhabitants. (The claims have been made by Japan on behalf of the islanders because they were not allowed to return to or make use of their property in the islands.)[7]

Discussion

The Japanese were not required in the Peace Treaty to renounce their claims to the Bonin Islands. Secretary Dulles has enunciated Japan's residual or ultimate sovereignty over the islands and United States official statements have implied that the islands would eventually return to Japanese jurisdiction.

Burgeoning nationalism has helped convince the Japanese that the time has come for the United States to take definite steps in the direction of reversion of control to Japan. This feeling is made all the more potent by the presence in Japan of some 7,000 former Bonin Islands residents who were removed to Japan during and at the end of World War II. The refusal of the United States to permit their return contrasts with the presence on the islands of about 175 mixed bloods (descendants of early Caucasian settlers) whom the US Navy permitted to return shortly after the war. Many of these people have been absorbed into the Japanese economy and are living in conditions of poverty which require that they be given public assistance. As an initial step the Japanese would like to repatriate these people to those portions of the islands which the United States does not require for military purposes.

It is difficult to justify a policy of refusing to allow former residents to return to the Bonins on grounds of security when there is a large native population in the Ryukyu Islands, where the United States has far greater security interests.

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[5] Dulles renumbered this paragraph as "3" and edited it by hand to read as follows: "United States willing repatriate some of the Bonin Islanders to islands on which there are no important military installations. The exact number will be determined by the U.S. after making a study as to what number the available areas will support."

[6] Dulles renumbered this paragraph as "1".

[7] Dulles renumbered this paragraph as "2".

The Japanese have presented a note requesting 960 million yen as compensation to former Bonin Islanders for use of their property since the effective date of the Peace Treaty (April 28, 1952). The United States Government does not consider the United States liable to pay compensation to the islanders simply for preventing them from returning to or using their property but stands ready to consider any claim for compensation for property which has actually been used by United States forces.

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151. Telegram From the Department of State to the Embassy in Japan[1]

Washington, May 22, 1957—7 p.m.

2584. For MacArthur from Secretary. Reference your 2711, last paragraph.[2] On reflection use of word "prerogative" was perhaps inexact. As I understand it the case is one where the right to exercise jurisdiction is concurrent and where, without any decision on the merits by the Joint Committee, the United States, while claiming the primary right under 3(a)ii of Article 17, decided under provisions of 3(a)c not to exercise jurisdiction and waived its right in favor of Japan.

However, the Defense Department considers that this waiver is revocable at least so long as it holds the person in question and it is therefore disposed to revoke its waiver and to claim the primary right which it asserted at the joint hearing but subsequently waived. The matter would then presumably revert to Joint Committee and if the Japanese then disagreed with United States, then the matter would revert to the Governments to settle.

However, it did seem to us that the essence of what the Japanese want and are entitled to is that the person in question should in fact be promptly tried and adequately punished, assuming the evidence at the trial bears out the preliminary indications. This could in fact be assured by a prompt court martial. This could take place without any waiver by the Japanese authorities of their right. We suggest this as a possible solution acceptable to Japan but leave it to your judgment whether to propose it at this juncture.

Dulles

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[1] Source: Department of State, Central Files, 711.551/5–2257. Secret; Niact.

[2] Document 149.

152. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 23, 1957—11 p.m.

2728. For the Secretary. I appreciate very much your 2584,[2] particularly because it clarifies that US Government's intention is not to proceed unilaterally in contravention of applicable agreements. I am no lawyer as you know best of all, but we are still not clear here as to how, without contravening Administrative Agreement and related documents, US could proceed with court martial while governmental discussions were in progress, assuming of course that previous steps outlined your 2584 had been taken to bring the matter before two governments after inability to resolve it in Joint Committee. Nor am I clear as to what two governments would be discussing while court martial was in process.

Following receipt your 2584, Horsey had discussion at Foreign Office with Chiba, senior official on American affairs and Japanese representative on Joint Committee. Horsey put considerations in last paragraph of Deptel 2584 to him. Chiba said flatly that in view of circumstances and evidence Japanese wished to try Girard themselves. He said that implications in comment reported from US press, that Japanese trial would be unfair and prejudicial to Girard's interests, were most serious and if continued would be "unforgettable" in Japanese minds.[3]

MacArthur

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[1] Source: Department of State, Central Files, 711.551/5–2357. Secret; Niact. Received at 10:55 a.m.

[2] *Supra.*

[3] Telegram 2729 from Tokyo, May 23 (received in Washington after telegram 2728), marked "For the Secretary", transmitted a long statement that Chiba had that evening read and presented to MacArthur. In the statement, Japan reviewed the facts of the case, the manner in which the Joint Committee had made its determination, the state of Japanese public opinion on the question, the effect on relations between Japan and the United States of any abrogation of the Joint Committee's arrangement, and called for prompt implementation of that arrangement. In conclusion MacArthur noted:

"After reading above statement Chiba concluded by saying that if woman had been shot by accident in an attempt to frighten her off range, situation would have been manageable. What inflamed and infuriated Japanese was that she had been deliberately enticed to pick up cartridge cases, had been made fun of and shot." (Department of State, Central Files, 711.551/5–2357)

153. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 24, 1957—2 p.m.

2733. Secretary and Robertson from Ambassador. While I recognize that only the US Govt in Washington can weigh all the pertinent considerations in the Girard case and reach final decision in the light thereof, I would like to give you my present estimate of the situation here.

I am convinced that the Japanese will not agree to giving US jurisdiction as a result of the decision reached in the Joint Committee to let Girard be tried by a Japanese court and our subsequent action in officially notifying the Japanese authorities to this effect, which in turn led to the issuance of the indictment. The GOJ is in a position where it will not agree to our exercising jurisdiction. The Japanese feel, after the full and thorough discussions in the Joint Committee, that a responsible decision was taken and that there is no difference with us re the merits of the Girard case. They do not believe he intended to kill the woman, but do believe he was responsible for her death by his actions which in their view were clearly not related to his official duties.

The Japanese also resent very much implications in the American press despatches that their courts do not give fair trials. I am told that the record of Japanese trials is excellent and that sentences are on the whole lighter than would have been given by United States courts martial for similar offenses. But in addition to the question of fairness of trial, I am told that of over fourteen thousand offenses since October 1953 in which Japanese had the right to exercise jurisdiction, they in fact ceded jurisdiction to us in all but four hundred and thirty. This is three percent compared to what I am told is the worldwide average in similar circumstances of twenty-eight percent.

As I see it, given all circumstances and what has transpired, the only alternative to upholding the original finding and agreement in the Joint Committee is for us to proceed unilaterally to exercise jurisdiction. This the Japanese will consider as a deliberate violation of existing international agreements with us. This in turn will of course destroy confidence in and the future utility of the Joint Committee. But much more serious, it will, I fear, shake confidence in the United States and undermine our entire position in Japan.

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[1] Source: Department of State, Central Files, 711.551/5–2457. Secret; Priority; Limit Distribution. Received at 3:37 a.m. Another copy of this telegram bears a notation by Goodpaster that the President saw the telegram on May 24. (Eisenhower Library, Whitman File, Dulles–Herter Series)

The Girard case has the most grave and far-reaching implications not only for both Japan and the United States in terms of our vital interests in and future relations with Japan but also in terms of our entire posture throughout free Asia. We know for example that the Philippine Govt is following this case closely and in detail and that its outcome will affect successful conclusion of our base negotiations with the Philippines (Embtel 2716).[2] The recent Reynolds case in Taipei,[3] which is carried in the Japanese press today comes at most unfortunate time in terms of Asian opinion.

The above relates only to my present estimate of the situation out here and does not cover the other highly important considerations which must be weighed and evaluated in Washington.

MacArthur

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[2] Dated May 23, not printed. (Department of State, Central Files, 711.551/5–2357)

[3] See footnote 2, *infra*.

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154. Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, May 24, 1957, 8:35 a.m.[1]

TELEPHONE CALL TO THE PRESIDENT

The Sec said Herter will be going to Cabinet. The Pres commented he would have to leave in the middle to make a telephone talk.

The Sec said the situation in Asia on the status of forces has gotten us into a most terrible predicament. He referred to the reports from Taiwan.[2] The Sec is satisfied if we don't turn this fellow over in Japan as Defense originally agreed we might as well write Japan off. The Pres said true and if you don't write them off anyway—he mentioned public and Congressional opinion. The Pres mentioned the thing affecting Europe too. The Pres said this is not a case which should be tried by the Japanese. The Sec said he doesn't know but Defense instructed their people to turn them over. The Sec referred to a provision in the agreement and this was in conformity with it.[3] The Pres said there is no answer unless you get out. He knows the American army and they won't let their people be tried by anyone else. They agreed that it was a mistake in agreeing to waive but they have done it. Now Japan says are your agreements any good? The Sec mentioned having a talk with the Pres and I gather some from Defense. The issues at stake are tremendous. It is in Taiwan a question of sentence not of jurisdiction. The Pres said that we have to look at the Asiatic countries and see if they should stay there. If they hate us, can't do it. The Pres mentioned having the talk tomorrow a.m.

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[1] Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Drafted by Bernau. Another set of notes of this conversation, prepared in the White House, is printed in vol. III, p. 527.

[2] For documentation on the riots in Taiwan on May 24 (local time), following the acquittal in the court martial of Master Sargeant Robert G. Reynolds, see *ibid.*, pp. 527 ff.

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[3] This part of the conversation was reported as follows in the notes cited in footnote 2 above: "The President said actually this is not a case that should be turned over to Japan. It was only under protest that Defense instructed their people to turn him over. Secy. Dulles said no—that there is a provision in the administrative agreement which says that if they cannot agree, and if each side claims jurisdiction, then at the request of the other, one will consider waiving jurisdiction in favor of the other." (Eisenhower Library, Whitman File, DDE Diaries)

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155. Editorial Note

The Girard case was discussed at the Secretary's Staff Meeting held at 9:15 a.m. on May 24 as follows:

"*Girard Case*—Extensive discussion of the case in which the Secretary pointed out among other things: (a) that it shows how closely people generally and foreign governments in particular pay attention to the President's words in press conference, (b) the President was not sympathetic to turning Girard back, (c) the President and the Secretary felt that our SOF treaties were unclear and perhaps should be modified to reflect clearly that a member of the Armed Services should be tried by US court martial when committing a crime 'when on duty' and *not* 'in performance of duty'. (Indeed, if it is in performance of duty it is not a crime.)

"Taken in conjunction with the Reynolds case in Formosa, the Secretary believes that the Girard case may point up the need for a basic review of our policies in stationing of troops abroad but in particular in Oriental countries.

"*Action: Asked* FE, in coordination with L, to prepare for submission to the President a concise statement of the law and the facts in the Girard case." (Tentative Notes of the meeting by Howe; Department of State, Secretary's Staff Meetings: Lot 63 D 75)

The same subject came up during Dulles' conversation with the President held at 8:30 that evening:

"Following this talk [on disarmament] I discussed briefly the situation in Japan in relation to the Girard case and the situation in Taiwan resulting from the acquittal of Reynolds. It was the President's strong feeling that prompt and radical steps had to be taken to cut down the number of our armed forces in foreign territories. He said that it was inevitable that they would sooner or later produce strong anti-American feeling." (Memorandum of conversation by Dulles; Eisenhower Library, Dulles Papers, Meetings with the President)

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156. Memorandum From the Director of the Office of Northeast Asian Affairs (Parsons) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, May 24, 1957.

SUBJECT

Call by Deputy Assistant Secretary of Defense Irwin re Executive Order for Ryukyus[2]

TIME

Friday, May 24, 3:00 p.m.

PARTICIPANTS

Department of Defense

Mr. John N. Irwin, Deputy Assistant Secretary for International Security Affairs
Captain Berton A. Robbins, Jr., Far East Regional Director, International Security Affairs
Mr. Jere H. Dykema, Office of the General Counsel, OSD

Department of State

Colonel John M. Raymond, Acting Legal Adviser
Mr. Howard L. Parsons, Director, Northeast Asian Affairs
Mr. Harry F. Pfeiffer, Jr., Office of Northeast Asian Affairs

Purpose:

The purpose of the meeting is to attempt to resolve State–Defense differences concerning the content of the Executive Order "Providing for the Administration of the Ryukyu Islands." Attached are the Department of Defense draft of the Executive Order and draft Press

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[1] Source: Department of State, Central Files, 794C.0221/5–2457. Confidential. Drafted in NA.

[2] No memorandum of this meeting has been found in Department of State files.

Release (Tab A),[3] the State Department re-draft of the Executive Order (Tab B) and a commentary on the recommended Department of State revision of the Defense draft of the Executive Order (Tab C).

The areas of differences between the State and Defense drafts are four in number and, in order of importance, are as follows:

1. *Adequate coordination between the Departments of Defense and State with regard to the administration of the Ryukyus (Sections 3 and 4).* Under Section 2 of the Order, the Secretary of Defense is authorized to exercise governmental authority in the Islands, while in Section 3, the Secretary of State is made responsible for the conduct of foreign relations. In the discharge of this responsibility, the Secretary of State is to maintain continuing coordination with the Secretary of Defense, who, in turn, is to keep the Secretary of State currently informed of activities in the Islands "affecting the foreign relations of the Islands and of the United States." We believe that practically every major aspect of the administration of the Ryukyus may involve our foreign relations and particularly, United States-Japanese relations. It will be necessary, therefore, in dealing with the Ryukyus to weigh continually our actions in the light of possible reaction upon the United States position, not only in Japan but throughout the Far East as a whole. Accordingly, it is of great importance to the overall security of the United States that the closest coordination be maintained between the Secretaries of State and of Defense regarding the administration of the Ryukyus.[4] The Executive Order should, therefore, provide for bilateral rather than unilateral coordination.

2. *Preamble to the Executive Order.* The Preamble has been limited to reference to the authority upon which the order is based, in accordance with Prime Minister Kishi's request that the Preamble be changed to avoid the impression of permanency of the arrangements covered in the Executive Order. Ambassador MacArthur strongly recommended that we accede to the Prime Minister's request.

3. *Publicity to be given to the issuance of the Executive Order.* Any publicity given to the issuance of the Executive Order will stimulate reversionist agitation in Japan, which in turn will heighten reversionist sentiment in the Ryukus, thereby decreasing the possibility of achieving our chief objective in the Ryukyus; namely, retaining full control. Accordingly we believe the promulgation of the Order should be han-

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[3] There are no attachments to the source text. The editors have been unable to identify a text for either the State or Defense drafts of the order as of this date.

[4] In a Department of State draft of the order dated April 24, the following sentence appears at the end of Section 3: "In the discharge of their respective responsibilities under the Order, the Secretary of Defense and the Secretary of State shall maintain continuing coordination with each other." (Attachment to memorandum from Richard D. Kearney, Assistant Legal Adviser for Far Eastern Affairs, to Parsons)

This language does not appear in the order as adopted; see footnote 4, Document 164.

dled as a routine matter, without publicity. In view of the forthcoming visit of the Japanese Prime Minister to Washington, it is particularly desirable that every effort be made to avoid arousing a strong Japanese public reaction to the promulgation of the Executive Order.

4. *Relationships between Governor of the Ryukus and the GRI. (Sections 11, 12, 15)*

The Order as it stands provides a facade of democracy and self-government for the Ryukyuans which, upon closer examination, becomes a chimera. If the Ryukyuans are to develop a democratic form of Government, they must be allowed sufficient leeway in which to experiment, develop and, as is unavoidable, make mistakes. The system proposed under the Executive Order has the built-in temptation to substitute our judgment for Ryukyuan judgment at every point. To achieve our fundamental purposes it appears highly desirable that intervention take place only when essential to avoid those consequences related to matters concerning United States security interests.

Furthermore, it is likely that the Executive Order may come under attack in Japan on the ground that it is a hypocritical document which pretends to give democratic rights to the Ryukyuans, but in fact does not. Such assertions by the Japanese may well give rise to serious unrest among the Ryukyuans. Therefore, a series of changes are proposed in the draft Executive Order which determine the respective powers of the Ryukyuan Governmental system and of the Civil Administration more precisely than the proposed draft Order. It is recognized that a precise delimitation is not possible and probably not desirable.

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157. Memorandum of Telephone Conversations Between the Secretary of State and the Assistant Secretary of State for Far Eastern Affairs (Robertson), Washington, May 25, 1957[1]

TELEPHONE CALL TO MR. ROBERTSON

SUBJECT

The Girard Case

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Asbjornson. A typewritten note on the source rext reads: "one-sided".

12:10 p.m.

The Secretary said he wanted to change the statement on the Girard case[2] before it went over to the President. The Sec. said he thought there was a minute (an agreed one) which specifically contemplated this waiver procedure—a clause which specifically said that in the event there was no agreement each side would sympathetically consider the request of the other toward waiving jurisdiction. The Sec. said that the cable[3] said that we had agreed to waive our jurisdiction. This referred to Article XVII of the Administrative Agreement. The Sec. said his impression was that we quite often made these arrangements one way or another which facilitates practical working of these agreements.

The Sec. said the Defense people are claiming that because there was this understanding that that vitiated the whole arrangement. The Sec. said the point was that you were looking at this thing from the standpoint of the rights of an American citizen. The person has a right to be tried and to defend himself as best he can and not to be subjected to some kind of railroading process which has been worked out in advance. He is entitled, if he wants to stand on the merits of the case—if he is guilty or not guilty he pays the penalty. No one has a right to make a side deal. It was a side deal of some kind made with the Japanese that they would not indict him for murder. The Sec. said the memorandum[4] suggests that a side deal was made. The Sec. said he would like to talk to Col. Raymond about this point and Robertson said he would try to contact Raymond about it.

12:35 p.m.

Mr. Robertson called back and read from a paper[2] in connection with whether or not the incident took place when Girard was on official duty. The Sec. said he doubted the agreement was prejudicial to Girard but wanted Robertson to find out the language in the agreed minute.

12:45 p.m.

Robertson called back and read to the Sec. the contents of 3(c) of Article XVII of the Administrative Agreement (attached),[5] saying that it was under that provision that the US military authorities waived the right of trial of Girard to the Japanese.

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[2] Not found in Department of State files.

[3] Reference uncertain.

[4] Apparent reference to the statement mentioned in the first sentence.

[5] Not printed.

12:50 p.m.

Col. Raymond called and said he thought that 3(c) of Article XVII (above-mentioned) should have been included in the memo to the Pres.[6] (The Sec. thereupon included this in the memo to the Pres.)

5:15 p.m.

The Sec. reported on his conversation with the President re the case and said the President had stated he did not really need the memorandum. The Pres. said he had come to the conclusion that we ought to turn this fellow back. He was very anxious to have it done so the people on the Hill would not think this was an individual case and that the proper interpretation of the Administrative Agreement did not require our turning over people. It would not happen again. We wanted to prevent a stream of criticism on the Status of Forces Agreement. The Sec. said he thought it could be explained that it was handled at a low level. A mistake was made and we would have to live with it. The Pres. had authorized the Sec. to tell Brucker our thinking. The Sec. said if Brucker wanted to appeal to the President we would join him in that. The Pres. said he would try to set up the time on Monday,[7] although Monday was pretty well jammed up.

The Sec. asked how Robertson thought it should be handled. Should it be taken up with Wilson? He was a little less stubborn than Brucker. He did not think Wilson was in town this week end. The Sec. [said] he was overwhelmed with stuff to do. The Sec. suggested Robertson talk to Sprague to see how he thinks we should handle it. The Pres. is persuaded that we have no recourse but to have Japanese have jurisdiction in this case. It is not to be understood as setting a precedent—turning people over where there are accidents or misdeeds when the person is actually on duty.

The Sec. asked Robertson to call him after his talk with Sprague.

5:30 p.m.

Mr. Robertson called back and reported his conversation. The [Secretary?] asked if he had passed on the President's views.

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[6] Apparently the draft printed *infra*.

[7] May 27.

158. Draft Memorandum for the President Prepared in the Department of State[1]

Washington, May 25, 1957.

SUBJECT

The Girard Case

There has been serious criticism in the Congress and in the public press with respect to the announced intention of Japan to try an American service man, Specialist 3/c William S. Girard, for shooting and killing a Japanese woman. The fact is that the Japanese Government indicted Mr. Girard only after the question as to who should try him had been resolved in the Joint Committee (established under the Administrative Agreement with Japan) by the statement of the United States that it had decided not to exercise jurisdiction. This statement was made under authority received from the Department of the Army. The only issue now is whether, having arrived at an agreement with the Japanese through the machinery provided by the Administrative Agreement, the waiver by the United States of the exercise of its jurisdiction should be revoked.

The significant facts as reported by the United States military authorities are as follows:

About thirty members of Girard's company were engaged in a small unit exercise at the Camp Weir range area in central Japan. About twenty-five Japanese, engaged in salvaging expended cartridge cases, had been following the unit exercises and had interfered to such an extent that all ball ammunition had been withdrawn from the troops.

During a short recess, Girard and another soldier, Nickel, were ordered to guard a machine gun in the maneuver area. A Japanese witness says that Girard threw empty cartridge cases on the ground and indicated that it was all right to pick these up, and thus enticed him and the deceased woman to come forward to get the cases. Nickel admits to throwing out empty cartridge cases at the direction of Girard, but Girard denies that he (Girard) threw any cases. After the Japanese man and woman had drawn near and were picking up the cartridge cases, Girard suddenly shouted for them to get out, and thereupon fired one shot in the direction of the man. As the woman was running away, Girard, holding his rifle at the waist, fired a second shot at her at a distance of about eight to ten meters. Girard states that he fired from the waist over the woman's head and did not intend to hit or wound her but only to scare her away. An autopsy disclosed that an expended 30-caliber cartridge case had penetrated her back to a depth of three to four inches, causing her death.

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[1] Source: Department of State, Central Files, 711.551/5-2557. Confidential. Drafted in NA and L. Apparently the memorandum was not forwarded to the President; see *supra*.

United States military authorities further report that the witnesses have "gradually changed their testimony so that it now substantially corroborates the Japanese version" except that Girard does not admit throwing brass on the ground. A lie detector test indicates that Girard is lying about this point and not aiming at the victim.

The case was handled in accordance with procedures provided for in the Administrative Agreement. Article XVII of the Administrative Agreement provides in paragraph 3 that in cases where both parties have jurisdiction (as in the present case), the United States shall have the primary right to exercise jurisdiction in relation to "offenses arising out of any act or omission done in the performance of official duty". This is a more limited situation than "while on duty". It is the same language found in the NATO Status of Forces Agreement and in other agreements which we have throughout the world. The question of jurisdiction which arose in the Girard case was whether the fatal shooting was an act done in the performance of official duty.

Both sides maintained that they had the right to exercise primary jurisdiction. In accordance with the Administrative Agreement, the matter was referred to the Joint Committee which was established under that Agreement "as the means for consultation between the United States and Japan on all matters requiring mutual consultation regarding the implementation" of that Agreement. Neither side was willing to concede that the other had the primary right to exercise jurisdiction. The Administrative Agreement requires that in case of failure of the Joint Committee to agree the matter shall be referred to Governments for further consideration; but the Department of the Army took the position that "resort to diplomatic channels would be unproductive and unwise". Accordingly, after six weeks of discussion the American representative was authorized by the Department of the Army "to allow Girard to be tried by the Japanese authorities", but without prejudice to the claim that we had the right to primary jurisdiction. Thereupon an arrangement was worked out in the Joint Committee whereby the United States representative notified the Japanese that the United States had decided not to exercise jurisdiction in this case and the Japanese in turn agreed, on a confidential basis, that the Japanese would indict Girard for the least serious offense possible and would recommend to the Japanese Court maximum mitigation of sentence under the circumstances.

The United States authorities thereupon formally notified the Japanese Ministry of Justice that "In accordance with paragraph 3(c) of Article XVII of the Administrative Agreement the United States has decided not to exercise jurisdiction in the case" of Girard. The Japanese then indicted Girard for bodily injuries resulting in death. The United States officials, however, still have custody of Girard.

There are three alternatives that may now be pursued: (1) abide by the agreement reached in good faith and allow the Japanese to try Girard; (2) revoke the agreement and attempt to throw the matter back into the Joint Committee with the possibility of appeal to Governments in case of continued disagreement; and (3) try Girard by court martial without either following the course already agreed upon in the Joint Committee or observing the procedures established under the Administrative Agreement.

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159. Letter From the Ambassador in Japan (MacArthur) to the Secretary of State[1]

Tokyo, May 25, 1957.

DEAR MR. SECRETARY: I am taking the liberty of writing this letter to you and Walter Robertson about the Kishi visit because some of the thoughts which I have been turning over in my mind do not translate themselves readily into any one of the series "U.S. Position Papers" which are being developed in Washington.

In terms of our vital interests, Japan occupies in Asia a position similar to that of Germany in Western Europe. Just as the course that Germany follows in Western Europe will vitally affect where Western Europe goes, so the course that Japan chooses to follow will vitally influence the road that the free nations of the Far East and Asia follow. Japan has the only great industrial complex in Asia which in a sense is comparable to the Ruhr-Western Europe complex. If it were ever harnessed to Communist power, we would be in a desperate situation. It is every bit as important to us as Germany.

So, our basic objective with respect to Japan is exactly the same objective we have been facing for the past seven years with respect to Germany. *This is, how to at least firmly align and, if possible, to knit Japan so thoroughly into the fabric of the free world nations that it will not in the next few years be easily tempted to take an independent course*

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[1] Source: Department of State, Central Files, 794.00/5–2557. Secret. A brief attached note, dated May 30, from Eugene V. McAuliffe, Chief of the Reports and Operations Staff, to Murphy and C. Douglas Dillon indicates that MacArthur sent a copy of this letter directly to Robertson, and that Murphy and Dillon were receiving copies at Dulles' request. A copy was also circulated to Bowie.

leading either to non-alignment or neutralism (at best of the Swiss-Swedish type or at worst of the Nehru brand) or worst of all some form of accommodation with the Communist bloc. While our fundamental objective with Japan and Germany is the same, the circumstances are entirely different and the Japanese problem is infinitely more complicated and difficult.

In Germany we had a country with the same basic Christian religion, culture and civilization as its European neighbors and the United States. This gave us an important common denominator to start with. We were able, through a number of complex but sound devices such as NATO, WEU, the European Coal and Steel Community, and the European Common Market, to all of which you made such a great contribution, to weave Germany into a fabric of free world inter-locking arrangements to an extent that will make it difficult for Germany to unweave the fabric, even should the government of the Federal Republic change. I do not mean that Germany will be unable to break away, but its own interests in the vitally important economic and security fields are now so directly enmeshed with those of its European neighbors and indirectly with ours, that it can't be done easily.

In Japan we do not have the same favorable factors we had in Germany. Geography is against it. There are no common ties of religion, culture, philosophy or civilization with the United States, nor with some of Japan's free Asian neighbors. Because of historical experience, most of Japan's neighbors in the Far East and Southeast Asia are still deeply suspicious of Japan. There are at this time none of Japan's free Asian neighbors that wish to join with Japan in either collective security or regional economic organizational arrangements looking eventually to some form of integration. Japan's two closest free world neighbors are Korea and Taiwan. Yet, at present, collective security arrangements with Korea seem out of the question because of Korean suspicions, and Japan itself would not wish to enter into a collective security arrangement with Taiwan for fear of being dragged into a war which might develop because of hostilities breaking out between Taiwan and Communist China. SEATO, for reasons which you know so well, does not at this time present an opportunity for tying Japan into an Asian collective security arrangement. The neutralist countries of Southeast Asia are opposed to collective security arrangements, and like other SEATO Asian neighbors fear Japan's economic domination.

Therefore, as contrasted with Germany where we could use the NATO umbrella and European collective devices in the economic and security fields to tie Germany with the free world, we do not have those possibilities here. As I see it, the task of aligning a resurgent Japan—*and it is resurgent*—with the free world structure, if it is to be done at all, will have to be accomplished primarily by United States initiative. Japan has come back so quickly and so far in these last eighteen months that some former Japanese attitudes are beginning to be visible again. Japan has had neither the leavening influence of close association with dependable free world neighbors which Germany has had nor Germany's first hand exposure to Soviet brutality. The Japanese people have in fact been living largely in semi-isolation since 1941 and most are quite unaware of the nature of the world in which we live.

It is against this back-drop that attitudes in Japan are beginning to crystalize. As the political situation becomes consolidated we are apt to see the Japanese move with unity and speed once they believe they have found the pattern they wish to follow. So we must ourselves move with dispatch to influence that pattern in a manner best designed to align Japan with us. I cannot produce any evidence but I feel that Japan may in the coming period, unless other prospects which she considers more in her own self interest are devised, be instinctively tempted to work toward some such objective as the Swiss-Swedish non-alignment formula.

So the challenge is very great, and will require all the imagination and wisdom at our disposal. In particular, Mr. Secretary, we are going to have to draw heavily upon your wisdom and imagination to meet the challenge we face with respect to Japan.

Alignment of Japan with the free world—and I use the word alignment because I do not at the present time see any fabric that we can knit her into as we did Germany—will, I believe, depend primarily on what *we* do in a) *the security and defense field* and b) what we do in the field of economic cooperation. I would like first to set out some thoughts about the security and defense field.

What are basically the formal ties which presently bind Japan to the free world? The Peace Treaty, but primarily the Security Treaty and the related Administrative Agreement. These agreements were very imaginative, very sound, and were absolutely essential under the conditions prevailing when they were drawn up. We could not have done without them and they have served their purpose well. At the same time the Security Treaty was wisely framed as a provisional arrangement, looking toward the time when other dispositions would provide for the maintenance of peace in this area.

Major changes have occurred during the last five years and it would be a mistake to weigh those changes merely in military terms. Japan has moved only moderately forward militarily, but has done brilliantly in her economic recovery, and in the international political field Japan has re-established relations with most countries and is in the United Nations. These two developments have given rise to a strong urge for Japan to act independently. And now at last her political leadership holds the prospect of becoming effective, both at home and abroad. I venture to suggest that the time is ripe for you to complete the great work you began, and create a new security arrangement with Japan that will replace the provisional treaty with a permanent one which will give scope for the years of further evolution that lie ahead. Kishi's visit affords a unique opportunity to lay the ground work for such a development.

I, best of all, realize how heavy the burdens are which you are shouldering and know that you cannot give as much time to this task as you would wish. But if you can spare the time to reflect on the great challenge which emerging conditions bring, I am sure that you, and perhaps you alone, could come up with a creative solution which the evolution of events requires.

Just to tempt your thoughts, I would like to sketch some ideas that strike me as having possibilities.

In Kishi we have at last an able leader of Japan. He indicates he wants to make a bold new start with us because he feels his people growing restive under the old arrangements. Other things being equal, we will fare much better in the long run if we can move constructively forward with him following his visit, rather than awaiting for pressures to develop which may get out of hand.

He has indicated that his basic views on the world situation, the Communist threat in the Far East, and Japan as a major Communist target, are the same as ours. He has also told me that keeping Korea, Formosa and Southeast Asia out of Communist hands are matters of vital importance for Japan. He has acknowledged to me Japan's dependence on the U.S. nuclear deterrent to prevent general war. He shares our concept of mobile striking forces held in readiness against aggression. He has in the last week had the National Defense Council approve a defense policy for Japan which frankly and publicly states its purpose "to cope with aggression with recourse to the joint security system with the United States of America." I think we can do business with him but we won't really know until we sit down with him and *really explore* the various possibilities and ways to make the necessary readjustments in the relations between the two countries.

Kishi has proposed modifying the Security Treaty in a manner which he says is necessary if he is to swing public opinion squarely behind him which in turn will enable him to win elections and then revise the constitution so that Japan can play its proper role in defense matters. In effect he has suggested tinkering with the existing Security Treaty but his basic proposal is that the disposition and use of U.S. forces be effected through mutual agreement and that we place a five year limitation on its duration following which it can be terminated on one year's notice. He has not said what his long-term objective is. Is it a mutual security treaty? If it is in fact a mutual security treaty he wants, wouldn't it be better to start working toward that end now? Certainly I would hate to have the job of trying to get the Senate to ratify changes in the existing Treaty only to have to return shortly thereafter with a new treaty. Before we can decide how best we can move rapidly ahead to readjust existing arrangements we must know what kind of treaty Mr. Kishi wants eventually.

This leads to the central problem I want to bring to your attention. If Kishi says that his objective is a mutal security treaty, may it not after all be possible following the Kishi visit to start to work out a mutual defense treaty that would be not only acceptable but appealing to both sides, and which you could therefore reasonably hope to get through the Senate? A mutual security treaty would, of course, involve modification in the existing Administrative Agreement.

The Japanese have already in effect modified their constitution by interpretation without waiting for amendment when they organized their Self Defense Forces. These forces are now accepted as not violating Article IX of the constitution. Why is it necessary to wait for formal revision then? Might it not be possible to adopt the SEATO formula for mutual defense, whereby each country will act to meet aggression in the Treaty area "in accordance with its constitutional processes"? Furthermore Japan has now joined the United Nations which reinforces their right to individual or collective self defense.

The Treaty area would have to be de-limited but it might be "the Japan area", a term already found in Article IV of the Security Treaty and in Article XXIV of the Administrative Agreement. In such case we would wish to have some provision, perhaps in a separate agreement, so that if we become involved in hostilities elsewhere we could have a good prospect of using our logistical base in Japan as we did during the Korean war. There could also be the usual type of clause calling for consultation in the event of any situation elsewhere affecting the security of the Japan area.

If something along these lines were feasible, Kishi might be tempted. In my talks with him he has never supported nor opposed the concept of a mutual defense treaty. He has said it "is not contemplated." He is perhaps reluctant to propose it now because of Japanese domestic political considerations, and perhaps more importantly because he thinks our terms might involve Japanese troops having to be deployed elsewhere in Asia or even defending the U.S. continent or its territories. This would *not* be politically possible for him. I do not think we need such a commitment of this character from Japan. What we do want is a durable and as dependable arrangement as is possible in the security field based on the principle of equality and partnership.

Japanese security against overt aggression cannot be assured by Japan alone. The latest approved Japanese national defense policy indicates that Japan's security against aggression is dependent on a joint system of security with the United States. I think Kishi fully realizes this. What we need to do is to readjust the existing security arrangements so that they are not vulnerable to the charge of being "unequal" in political terms, and to get Kishi then to take leadership in instilling in Japanese minds the fact that such a treaty is by far their best guarantee against aggression. This would serve to identify Japanese security interests firmly with ours.

In any case, I hope you will take the opportunity really to smoke Kishi out on whether he wants a mutual defense treaty. He may not be able to commit himself to a mutual security treaty during the Washington talks but we may be able to get his mind started working in this direction and we could further explore such a possibility in subsequent private talks through diplomatic channels. At least we would know better where we stand and how we can go about readjusting the existing arrangements. If Kishi does say he wants a mutual security treaty you could lay the groundwork for moving quietly ahead on it during the following months, provided—and this is the main theme to which I return—that you believe some such new concept is needed for the new situation we face.

The other aspect of aligning Japan with us and the free world lies in the economic field, which is of vital—indeed, life and death—importance to Japan given the nature of its economy, which is so largely dependent on external factors which it cannot control. Identification in Japanese minds that their future economic viability depends on the closest cooperation and alignment with the United States will more than anything else serve to tie Japan to the West.

I feel we must bring to bear on this problem the best and most imaginative brains we have in the United States. This is the field where the Soviets and Chinese Communists are concentrating their energies. We must show imagination and not be bound too strictly by past concepts, because in the long term, alignment of Japanese economic interests with us is more fundamental in its appeal and in the long run much more dependable than any agreements we can devise in the security and defense field and will serve to strengthen such agreements.

This letter is much too long, for which I apologize. But, I frankly did not know how else to present some thoughts, such as they are, that I have been turning over in my mind about the critically important period on which we are about to enter in our relations with Japan. I will be giving more thought to this whole question between now and my arrival in Washington on June 10, following which I would like to talk to you and Walter about all these matters.

Sincerely,

Doug

160. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 27, 1957—7 p.m.

2769. Deptel 1537.[2] Informal agreement reached with Foreign Office on draft proposed notes and proposed confidential letters re Japanese contribution used for JFY 1957 per Article XXV 2(b) Administrative Agreement.

Text note is in Embtel 2768.[3] It is somewhat simplified version that used previous years with exception that fact that this year's reduction is reduction from full amount $155 million specified in Administrative Agreement is not clearly spelled out. Japanese have strongly urged deletion of reference to overall reduction $72 million. Embassy conceding point in note in order consummate negotiations but fully reserving position in accompanying letter of understanding shown below.

In past years there have been extensive legalistic arguments on question whether in absence of agreement Japanese contribution would revert to $155 million or to amount of contribution in immediately preceding year. In Embassy's opinion this is question which should be argued out when issue arises, not before, provided our legal position to effect that, in such contingency, amount would be $155 million, is fully protected. Embassy believes language of agreement sufficiently protects our position but, because issue was raised by Japanese late in process draft note discussions, we propose send confidential letter with following operative paragraphs:

"As you will recall, previous drafts incorporated language similar to that used in exchanges of notes for each of previous years, reflecting agreement by our two governments in specific amount of reduction from contribution of $155,000,000 specified in Article XXV 2(b) of Administrative Agreement.

Although we are deferring to your desire to omit specific reference to amount reduction agreed upon for JFY 1957, this omission does not prejudice US position that contribution of $8[2],222,222.22 agreed upon for JFY 1957 is a reduction of $72,777,777.78 from contribution of $155,000,000 set forth in Administrative Agreement, calculated in accordance provisions of exchange of notes April 25, 1956."

Operative paragraph of Japanese draft response proposed by Chiba acknowledging letter is following:

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[1] Source: Department of State, Central Files, 794.5/5-2757. Confidential; Priority.

[2] See footnote 3, Document 110.

[3] Not printed. (Department of State, Central Files, 794.5/5-2757) The text of the note is substantively identical to that of the published Japanese note in the exchange of notes cited in footnote 4 below.

"On behalf my government, I would like to reserve position which it may take in any future consultation on question of specifying amount of annual reduction in Japanese contribution. I also understand that exchange of notes on Japanese contribution for JFY 1957 is not necessarily to be considered pattern for exchanges of notes for Japanese contribution in future fiscal years."

Authorization requested proceed on basis exchange of both official unclassified notes and confidential letters.[4]

MacArthur

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[4] The Embassy received final authorization to proceed along the lines outlined here in telegram 304 to Tokyo, August 7. (*Ibid.*, 794.5/8–257)

For text of the Agreement on annual and progressive reduction of Japanese expenditures under Article XXV 2 (b) of the Administrative Agreement, effected by an exchange of notes signed at Tokyo on August 16, 1957, see TIAS 3886; 8 UST (pt. 2) 1377.

Texts of the confidential letters exchanged at Tokyo, also on August 16, are enclosures 6 and 7 to despatch 204 from Tokyo, August 20. (Department of State, Central Files, 794.5/8–2057)

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161. Memorandum of a Telephone Conversation Between the Secretary of State and the Secretary of Defense (Wilson), Washington, May 28, 1957, 9 a.m.[1]

TELEPHONE CALL FROM SEC WILSON

W has been thinking re the GI in Japan and he thought he might refer the matter to the AG for a ruling of procedures and if the man's interests have been looked after and our obligations under the Treaty. W asked if the Sec thinks it is the thing to do. The Sec said he should be turned over as we agreed to do. W said if we agree to something that is not in accord with legal procedures we are not looking out for his interests. The Sec said it is in accord. W wants the AG to say so. The Sec said it is more than a legal question. W said he can sit tight and have the Pres tell him to turn him over or W and the Sec can agree. The Sec said the Pres is ready to do that but should not be put in that position. W said he just said to keep him while we take a new look—he is in a position to move. The Sec said he would try to set up an appt at 12:30 after the Adenauer meeting.[2]

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

[2] See *infra*.

162. Memorandum for the Record of a Meeting, White House, Washington, May 28, 1957, Noon[1]

A meeting was held in the President's office at noon on May 28 on further action in the Girard case.[2] Attending were Secretaries Dulles, Wilson, Robertson, Sprague, Mr. Dechert, Generals Stan Jones, Randall, Persons, Goodpaster, Mr. Morgan.

There was a rather full discussion of a number of possible lines of action. A proposal to have the Attorney General review the procedures that have been followed was made, but was not adopted. A suggestion that the Japanese might conduct a trial in absentia, with suspension of whatever sentence might result, was not considered feasible of accomplishment. In the course of discussion on provisions of the Status of Forces agreement which apply in the event of disagreement as to whether an action occurred in "performance of an official act" different individuals present cited different provisions as applicable. It was pointed out, however, that in the Girard case the agreement to turn him over to the Japanese was premised upon the waiver provision. The position is therefore that the United States, through an official representative, in effect gave a waiver of jurisdiction, and agreement was reached with the Japanese representative on this basis. There was discussion of the serious adverse consequences likely to ensue should the United States now refuse to honor that agreement. There was discussion also of adverse consequences to be expected from surrendering jurisdiction.

After further discussion, agreement was reached on behalf of the Defense Department and the State Department that the United States should go ahead with its commitment to turn over jurisdiction. Secretary Dulles and Secretary Wilson agreed to join in the responsibility for this action, basing it upon the fact that the United States had waived jurisdiction. They undertook to prepare a suitable press statement.[3] The President approved these arrangements.[4]

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[1] Source: Eisenhower Library, Whitman File, DDE Diaries. Confidential. Drafted by Goodpaster on May 29.

[2] The President also discussed the Girard case at the Legislative Leadership meeting held the morning of May 28. Minnich's Supplementary Notes concerning this part of the meeting read as follows:

"*Girard Case*—The President told the Leaders that the best bet in this difficult case seemed to be to try to get both sides to postpone the matter till it quieted down a bit. Since all the procedures had been followed and we had agreed to Japanese jurisdiction (a mistake, the President thought) on the grounds that it was not a clearcut case, now the word of the U.S. Government was at stake should we insist on jurisdiction. It is awfully hard, he pointed out, for a great nation to turn around and say it didn't mean what it said in the first instance. The President added that this sort of thing gave reason for pressing review of the desirability of maintaining U.S. forces in the Far East." (*Ibid.*, Legislative Meetings)

G
Brigadier General, USA

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[3] See footnote 2, Document 166.

[4] MacArthur was informed of the decision in telegram 2662 to Tokyo, sent the evening of May 29. (Department of State, Central Files, 711.551/5–2957)

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163. Memorandum of a Conversation Between the Secretary of State and Senator William F. Knowland, Washington, May 28, 1957[1]

MEMORANDUM OF CONVERSATION WITH SENATOR KNOWLAND AT THE GERMAN EMBASSY

I said to Knowland that we had concluded that there was no practical alternative to allowing the Japanese to go ahead and exercise jurisdiction in the Girard case. I pointed out that this had already been agreed to and I saw no practical way of retracting our steps without throwing doubt upon the value of our agreements and raising a storm which might sweep us out of all the Western Pacific. Knowland said that would be "tough" but he did not indicate either approval or disapproval.

I talked in a like manner to Senator Alex Smith[2] and to Congressmen Gordon[3] and Chiperfield.[4]

JFD

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[1] Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Confidential. Drafted by Dulles.

[2] H. Alexander Smith of New Jersey, a member of the Senate Foreign Relations Committee.

[3] Thomas S. Gordon of Illinois, Chairman of the House Committee on Foreign Affairs.

[4] Robert B. Chiperfield of Illinois, ranking minority member of the House Committee on Foreign Affairs.

164. Briefing Paper Prepared in the Office of the Operations Coordinator[1]

Washington, May 29, 1957.

ADMINISTRATION OF THE RYUKYUS

Briefing Paper:

A. Letter from State to the Bureau of the Budget attaching proposed Executive Order.

The draft Executive Order on the administration of the Ryukyus has been agreed upon between Defense and State and was forwarded to the Director of the Bureau of the Budget by Mr. Robertson last evening. A copy of the transmitting letter, and the draft Executive Order are at Tab A.[2]

Salient points are:

(1) The Secretary agreed to delete a sentence in the preamble referring to "Japan's residual sovereignty" and reaffirmed [*reaffirming*?] that the U.S. does not seek permanent possession of the Ryukyu Islands.[3]

(2) State and Defense agreed in a separate Memorandum of Understanding that there should be continuing policy coordination between State and Defense on the administration of the Ryukyus.[4]

(3) State and Defense have agreed that there should be a resident military Governor in the Ryukyus. The problem of the channel of communication of the Governor has not yet been resolved. State hopes that he will be instructed to communicate through the Pentagon; Defense has held that he should communicate through the Military Command at Honolulu.[5]

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[1] Source: Department of State, OCB Files: Lot 62 D 430, Japan. Secret.

[2] Neither Robertson's May 29 letter nor the undated draft order was found attached. Copies are *ibid.*, FE Files: Lot 56 D 19, B.

[3] The preamble in the final version is similar in substance to the preamble in the draft cited in footnote 2 above.

[4] The text reads: "In view of their respective responsibilities under the Executive Order providing for the administration of the Ryukyus, the Secretary of Defense and the Secretary of State agree that they shall maintain continuing policy coordination with respect thereto." (Attached to Robertson's letter cited in footnote 2 above.)

[5] A memorandum prepared in U/OP on June 4 reads in part as follows: "On the question of channels of communication, there has been tentative agreement [between State and Defense] that, as a general procedure, all communications from the High Commissioner will be direct to Washington (Department of the Army) with info copies to the Army Commander in Hawaii. This agreement is subject to final confirmation in the Pentagon." (Department of State, OCB Files: Lot 62 D 430, Japan) In Executive Order 10713 as issued, the term "High Commissioner" was used instead of "Governor".

Continued

165. Memorandum From the Deputy Under Secretary of State for Political Affairs (Murphy) to the Secretary of State[1]

Washington, June 3, 1957.

SUBJECT

The Bonin Islands

I would like to add a word to the attached recommendation by Walter Robertson[2] regarding the return of Japanese nationals to the Bonin Islands because of my experience with the question while I was assigned to Japan.

After debate in 1953 with Admiral Radford who was firmly opposed to Japanese return, I inspected the two inhabitable Bonins, i.e. Chi-Chi-Jima and Ha-Ha-Jima, as well as Iwo Jima of the Volcano group.[3] The two Bonins, I became convinced, provide an excellent submarine base. Iwo Jima, which the United States occupies, is not so adaptable but is an excellent air base.

The Japanese had removed all civilians to the main islands long before our forces captured the Bonins. They are now governed by the Navy which permitted a small group of half-caste Caucasians to return. Some of these have been permitted to import Japanese wives from Honshu.

The principal Navy argument against the return of the bulk of the former Japanese civilians is that these islands are valuable as a fall-back submarine base if we lose our position in the main Japanese islands. It is based on distrust of future Japanese policy. Admitting them to the islands is regarded as a first step in a series of Japanese maneuvers towards our eventual elimination from the islands.

This is a strategic consideration of potential importance. There is no doubt that if Kishi would obtain agreement for the return of some of the islanders, his position would be strengthened. The presence on the islands of a few hundred Japanese civilians should not constitute an insuperable handicap in case of all-out submarine warfare in the Pacific. They could be removed elsewhere as was done by their own military forces in World War II.

President Eisenhower signed Executive Order 10713 on June 5. The text is printed in the *Federal Register*, vol. 22, no. 110 (June 7, 1957), pp. 4007–4009. A press release briefly outlining the order's provisions was released simultaneously. The text was transmitted to Tokyo in telegram 2698, June 4, as modified by telegram 2712, June 5. (Department of State, Central Files, 794C.0221/6–457 and 794C.0221/6-557, respectively)

[1] Source: Department of State, Central Files, 794C.0221/5–757. Secret. A handwritten notation on the source text reads: "Sec saw."

[2] Reference is to Document 150.

[3] Murphy inspected the Bonins with Admiral Radford October 2–6, 1952. See *Foreign Relations*, 1952–1954, vol. XIV, Part 2, p. 1340.

166. Supplementary Notes on the Legislative Leadership Meeting, Washington, June 4, 1957[1]

[Here follows discussion of unrelated matters.]

Girard Case—The President informed the leaders that State and Defense had reached agreement to relinquish jurisdiction to Japan, and that a lengthy explanation was being press released.[2] There were a few facts detailed in the release that Sec. Brucker did not have available when he reached his first decision and talked to the Leaders.[3] The President said we were not required to forego jurisdiction but that we had done so voluntarily. He pointed out that in some 14,000 cases, the Japanese had voluntarily relinquished jurisdiction in 13,642, that Japanese sentences in the cases they tried and convicted were lighter than the sentences meted out by our courts-martial, that Treaty procedures were followed to the point where we had originally relinquished jurisdiction over Girard, and that we did not wish to back out of that agreement.

Sen. Knowland referred to discussions of the preceding evening,[4] agreed that there really was no alternative available in the situation which confronted the Administration, that repercussions must be expected, and that he hoped things could be fixed so that we didn't get into this situation again.

The President then commented on how the soldier had gone out of his way to "manufacture" some ammunition—he had not been issued ammunition by his commanding officer—and how things of this sort inevitably occurred in any organization as big as the Army.

The President added that the administrative agreement supplementing the Treaty and covering these matters had come to be much like the Status of Forces treaties in Europe but was a bit more liberal than, for instance, the one with the British. The Japanese had acted very splendidly under this agreement, the President said.[5]

[Here follows discussion of unrelated matters.]

LAM

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[1] Source: Eisenhower Library, Whitman File, Legislative Meetings. Confidential. Drafted by Minnich.

[2] For the joint statement of Secretaries Dulles and Wilson, issued by the Department of Defense that day, see Department of State *Bulletin*, June 24, 1957, p. 1000.

[3] See Document 142.

[4] No record of these discussions has been found.

[5] President Eisenhower discussed the Girard case along similar lines in response to a question at his news conference held on June 5; see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1957*, pp. 436–437.

167. Memorandum of a Conversation Between the President and the Japanese Ambassador (Asakai), Washington, June 4, 1957[1]

SUBJECT

Presentation of Credentials to President Eisenhower by the Japanese Ambassador

Following the Ambassador's presentation of his credentials, President Eisenhower told him that the United States Government had just issued a statement on the Girard case. The Ambassador stated he was pleased that jurisdiction in the case had been given the Japanese and the President said that the decision, he felt, was a fair one. He said that the original press coverage of the situation had not been accurate; it was not a case of a man who committed a killing in performance of guard duty. The actual facts had emerged upon a close investigation.

The President also commented that of over thirteen thousand offenses since October 1953, in which the Japanese had the right to exercise jurisdiction, they had in fact ceded jurisdiction to U.S. courts in all but about four hundred, and that he felt it was proper to turn the Girard case over to the Japanese courts. He stated, however, that we have two primary interests—one is individual justice to the man himself, and second is for the continuance of the satisfactory relations between the two Governments on these matters. He further commented that legally our protection of Girard had not been altered and that our interests would not diminish in assuring that he receive a fair trial.

The Japanese Ambassador then (he told me he would not have discussed anything of substantive nature had not the President opened the discussion) commented on the easing of trade restrictions with Red China. He stated to the President that the decision by Great Britain had put the Japanese Government in an extremely embarrassing position and further stated that the Japanese Government's primary interest was in continuing their position at the side of the United States Government, though an action such as the British made it difficult. The President said he appreciated that and realized that there would be many times there would not be an identical position taken by all of our allies. He pointed out that we had not agreed with the French and British in the Suez crisis but that we had stuck to the policy that we felt would be just. Then he elaborated to the Ambassador that he felt that no doubt France would follow suit in trading with Red China and after France, possibly Italy and others. He continued that he felt it extremely important for Japan with ninety million people and an agrarian territory the size of California to trade for their very survival. The President added that the Administration had more or less inherited the position of the embargo on the Red Chinese and he was more or less of the opinion that it was wise to trade as much as possible with practically all nations. He stated he felt that one could in many instances interest the people in these countries in our way of life and in his opinion a corollary objective was not to allow their own countries, in this instance Japan, to be honeycombed with Red cells which would "fascinate the peoples of their country with another way of life." The Ambassador thanked the President for his understanding position and stated that he hoped there would be as little disagreement as possible in our negotiations between the two countries.

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[1] Source: Eisenhower Library, Whitman File, International Series. Confidential. Drafted by Wiley T. Buchanan, Jr., Chief of Protocol. Another copy of this memorandum is in Department of State, Presidential Memoranda of Conversation: Lot 66 D 149.

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168. Memorandum for the Record of a Meeting Between the Secretary of State and the President's Special Consultant (Nash), Washington, June 5, 1957[1]

At the outset of the meeting Mr. Dulles said that he felt we were at the point of having to make a "Big Bet" with respect to "putting our money on" Mr. Kishi for the leadership in Japan. He asked me to give him my views, as a result of my recent visit in Japan,[2] as to whether or not the "bet" was a "good one."

I told the Secretary that on the basis of the information I had received from Ambassador MacArthur and his Staff in Tokyo, I had the impression that Mr. Kishi was not only the "best bet", but the "only bet" we had in Japan for the foreseeable future, and therefore we should make the "real pitch" to line him up on our side.

I went on to discuss the so-called doctrine or principle of mutuality between the United States and Japan. I suggested to the Secretary that during the forthcoming Kishi talks in Washington it might be desirable for the Secertary to enunciate the principles he laid down in Berlin in February 1954, concerning the status of United States forces abroad during a time short of hot war. In this connection, I suggested that Mr. Kishi was very much in need of a down-to-earth briefing on what Japan as a vacuum, in terms of security protection, might mean with respect to the Soviet threat. I said I was very much impressed with the emphasis given by Ambassador MacArthur and his Staff to the "Alice-in-Wonderland Dream World" frame of mind in which the Japanese were now existing with respect to their position under the Soviet threat. In this connection, I suggested that it would be highly desirable to have the ablest person on our side give Mr. Kishi the "ungarbled word." Secretary Dulles asked me for a suggestion as to whom this individual might be and I replied that in my view, Admiral Radford was the logical man. Secretary Dulles left it to me and Mr. Reinhardt[3] to work out arrangements for me to ascertain whether or not Admiral Radford would be available and willing to take on the job.

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[1] Source: Department of State, Central Files, 033.9411/6-557. Secret. Drafted by Nash.

[2] Nash was in Japan in May as part of a tour of several Asian countries.

I spoke of the necessity of impressing Mr. Kishi with the exposed position which Japan would occupy if United States forces were to be entirely withdrawn at this time, leaving Japan a complete vacuum as far as military security were concerned. I spoke further of the necessity of indoctrinating Mr. Kishi on the strategic position which Japan should occupy as a world power, and how to be a world power Japan had to develop for herself a proper security force, noting that even such neutral countries as Switzerland and Sweden have very well developed security forces. I noted that Japan had excellent potential in the way of an industrial backup (ship building, air frame, electronics production) for a substantial Japanese Defense Force. I stressed the importance that had been laid in my discussions with our political and military people in Japan on the present gap between the Japanese Military and the Japanese Civilian leaders, and the tendency of shoving the activities of the former "under the rug." I said I felt Mr. Kishi should be impressed with the principle of civilian control, which necessarily involves civilian responsibilities. I stressed to the Secretary the emphasis put on this point by General Lemnitzer and his assistants, and the handicap our military were under in Japan, making comparatively slow progress with the Japanese military because the latter were lacking the necessary backup and support from their own civilian political leaders.

Related to the foregoing, I outlined the relationship of the withdrawal of United States forces to the building up of Japanese forces. I reiterated the necessity of indoctrinating not only Mr. Kishi, but other Japanese civilian and military leaders on the strategic situation and the relation of modern weaponry thereto. I stated, as a personal point of view, that there should be no indication from the United States side of the level of Japanese defense forces or the composition thereof. I stated further that there should be no insistence, as there has been in the past, on the amendment of the Japanese Constitution to permit the buildup of their defense forces. I said I felt we should leave the constitutional question to them to work out as they might deem best, and we would offer whatever advice they might desire with respect to the most appropriate buildup of their forces which we think would be useful for them to have to play the role they have ahead of them. I noted the impression that the British White Paper[4] seemed to have had a considerable influence on their thinking in this regard.

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[3] G. Frederick Reinhardt, Counselor of the Department of State since March 17, 1957.

With respect to phasing out of United States forces from Japan, I told the Secretary that General Lemnitzer had expressed the view that the Japanese would be happy for us to continue to maintain the bases and facilities we have in Japan because of the employment and dollar income derived therefrom. I expressed some concern that the ground force facilities being turned back to Japan were so fully absorbed in the civilian economy that they would have no future military utility for the Japan Defense Force. I compared the policy of the Air Force, as outlined to me by General Todd in Honolulu, under which the Air Force is turning over air base facilities to the Japanese as they are able to take them over and utilize them for Japan Air Force purposes.

With respect to Mr. Kishi's intention of reviewing, in the course of his Washington talks, the status of the current security agreement with Japan, I expressed the view to the Secretary, that, as I saw it, it would be exceedingly difficult to work out any piecemeal adjustment of the agreement under present circumstances, recognizing that the agreement, as presently worded, is quite one sided. I suggested that the expected proposal Mr. Kishi will make to limit the agreement to a five year duration could be better met by having his Government work out with us a "Mutual Defense Agreement" which would involve no particular deadline, and which could, in all probability, be accomplished in much less than the five year period which he seems to be preoccupied with. I said I felt there was great danger in tackling the present security agreement on a piecemeal basis. In addition, I noted that the Japanese would probably raise not only the termination question, but also such points as the necessity of consultation for the use of bases in Japan for operation outside of Japan, a ban on atomic weapons, etc., not to mention the difficulty of going to the U.S. Senate at this time for the ratification of amendments while furor is rife over the Girard case.

I moved on to the question of jurisdiction over U.S. forces in Japan and suggested that if the turnover of Girard to the Japanese is finally accomplished, the good will engendered thereby in Japan, might well be utilized by asking the Japanese to agree to present an out-on-the-table formula like the NATO-Netherlands agreement. I said this would help us greatly in the Philippines and could further the uniformity of our agreements with respect to jurisdiction for U.S. forces abroad.

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[4] Reference is to the British defense program announced April 4, 1957.

I told the Secretary I had flown over the Bonins and had landed at Iwo Jima and I told him that the issue of the return of the Bonin islanders was one I felt could be worked out, given a little time, but it would not be desirable (as I saw it) to push this issue in terms of the Kishi visit. Okinawa, I felt, had to remain in the United States' hands in its present status for an indefinite term and I felt Mr. Kishi should be so advised.

Finally, with respect to the current survey, I expressed the hope that the Secretary, if queried in any further press conferences, would emphasize that the survey is not being carried on by any outside group, but by the best informed people at State and Defense. It is a continuing project and it will require some time before the survey can be completed. Accordingly, it would be premature to draw inferences therefrom at this time with respect to the outcome of the study.

FCN

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169. Telegram From the Department of State to the Embassy in Japan[1]

Washington, June 5, 1957—6:03 p.m.

2709. Eyes only Ambassador from Secretary and Robertson. Girard case has set loose a wave of anti-Japanese sentiment being stimulated by certain organizations such as the American Legion. Speaker Rayburn has urged that Kishi should defer his visit somewhat and preferably until after trial has occurred.[2] However, President and ourselves doubt this is desirable but President has suggested you should diplomatically alert Kishi to possibility there may be some sporadic manifestations which we hope he will understand, taking into account that if US decision had been otherwise there would probably have been some anti-US demonstrations in Japan.[3]

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[1] Source: Department of State, Central Files, 711.551/6–557. Confidential; Priority. Drafted and signed by Dulles.

[2] Bernau's notes of a telephone call from Dulles to Rayburn at 5:45 p.m. on June 5 read in part: "They spoke re Kishi and R seemed to agree re his coming. They jocularly agreed people might take the decision out on the Sec or Wilson but not Kishi." (Eisenhower Library, Dulles Papers, General Telephone Conversations) Apparently this conversation took place after the telegram was drafted, but before it was sent.

Dulles

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[3] MacArthur responded to this message in telegram 2876 from Tokyo, June 6, marked eyes only for the Secretary and Robertson. The Ambassador stated that Kishi had expressed deep appreciation for the U.S. decision in the Girard case and that he, MacArthur, had mentioned to Kishi the possibility of anti-Japanese manifestations during the forthcoming visit. (Department of State, Central Files, 711.551/6–657)

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170. Memorandum From the President's Special Assistant for National Security Affairs (Cutler) to the Secretary of Defense (Wilson)[1]

Washington, June 7, 1957.

SUBJECT

Reduction of U.S. Military Stationed in Japan

1. At the morning conference on June 6/57 on the *Saratoga,*[2] the President authorized you to reduce U.S. military forces and equipment stationed in Japan; the Secretary of State expressing his general approval of such a step. There were subsequent talks between the President, Mr. Dulles, and you while on shipboard at which I was not present.[3]

2. Before leaving the *Saratoga* after luncheon today, the President asked me to send this memorandum as a reminder to you to have prepared—in time for consultation with the Secretary of State before the arrival of Prime Minister Kishi on June 19—a statement of Defense proposals for carrying out such future reduction: including a schedule of timing; numbers of military and civilian personnel and related de-

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[1] Source: Department of State, Central Files, 794.5/6–757. Top Secret.

[2] The President and his party were on the U.S.S. *Saratoga* to witness naval training exercises in Florida. During a conversation (on the plane to Florida) among the President, Dulles, and Wilson, U.S. force levels in Japan were discussed. In his memorandum of the conversation dated June 6, Dulles wrote:

"The President and I discussed at some length with Secretary Wilson the question of cutting down the United States ground forces in Japan. The President and I, each independently, said that from our viewpoints this was, and for some time had been, entirely possible politically and indeed desirable. We could not understand why more had not been done. Secretary Wilson said he would go into the matter. I said I felt that some firm position and program were needed by the time Kishi got here." (Eisenhower Library, Dulles Papers, General Memoranda of Conversation)

[3] No memoranda of these subsequent conversations have been found.

pendents to be so reduced; and military units and equipment to be so reduced. The President recognizes that such a statement can be only reasonably accurate, because of the short time available. While he did not have in mind numbers and quantities presently located in Japan, he was apparently thinking of a proposal for reduction amounting to not less than 60%.

3. In talking with me, he remarked that such a reduction should help Defense to reduce future expenditures in line with the goals recently described; and that our ability to outline to Mr. Kishi during his impending visit a reasonable program for U.S. military reduction might bear favorably on the Girard case.

4. You also have in mind the reduction in U.S. military stationed in Iceland, authorized by the President at a recent Council meeting in May.

Robert Cutler[4]

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[4] Printed from a copy that bears this typed signature.

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171. Memorandum From the Deputy Under Secretary of State for Political Affairs (Murphy) to the Secretary of State[1]

Washington, June 10, 1957.

SUBJECT

Girard Case

The following figures regarding Japanese trials of American personnel in Japan under the Administrative Agreement are, according to Defense, the latest available total figures. These cover the period from October 29, 1953, when the current jurisdictional arrangements went into effect, up through November 30, 1956:

Cases in which Japan had primary jurisdiction—12,581
Trials by Japan—396 (3.1% of above)
Americans actually confined to Japanese prisons—87

According to Mr. Yingling (L),[2] whether or not the United States "waived" jurisdiction in the Girard case depends on whether or not he was acting in the performance of official duty. This would seem to be a matter for court decision. In Mr. Yingling's opinion there has been no waiver of jurisdiction. Apparently United States military authorities decided to let Japan try him without seeking to settle the issue of official duty through resort to government.[3]

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[1] Source: Department of State, FE Files: Lot 59 D 19, Girard William S. 1957.

[2] Raymund T. Yingling, Assistant Legal Adviser for European Affairs.

Presumably, the Japanese court would not decide this issue, since it may assume either that the United States by agreeing to Japanese jurisdiction does not consider that Girard was acting in the performance of official duty or, in the reverse situation, that the United States has waived its jurisdiction. In either situation the Japanese court would have jurisdiction.

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[3] In a memorandum to Robertson dated June 11, Parsons wrote:

"The information received from the Judge Advocate General's Office of the Army that the Girard case is the first case under Article XVII of the Administrative Agreement, as amended, in which the United States has waived its primary right to exercise jurisdiction has been verified with L. In the past, a number of cases have arisen in which there initially was a dispute as to whether the United States or Japan had the primary right of jurisdiction, but in all of these cases the dispute was resolved on an ad hoc basis and the United States did not waive its primary right of jurisdiction." (Department of State, FE Files: Lot 59 D 19, Girard William S. 1957)

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172. Memorandum of a Telephone Conversation Between the Secretary of State and the Secretary of Defense (Wilson), Washington, June 11, 1957, 5:48 p.m.[1]

TELEPHONE CALL FROM SEC WILSON

The Sec returned the call and W said he has a letter from Cutler re deployment from Japan.[2] W said he (meaning the Pres) had 60% as the reduction and Cutler has it in the letter. The Sec did not remember. W is not clear if the Pres had in mind 60% of all or just ground forces. The Sec thought he meant ground forces. W thought he meant all. The Sec does not think so. W said the present plan is to get more than 60% of the ground forces out. The Sec said that is good. W said he may call the Sec (the Pres may call). The Sec said he did not think it was a directive—he thought it was for ground forces because he said the sea and air forces don't get into so much trouble. W said we have over 100,000 there at the end of last year—½ is in the Air Force, 30% in Army and 20% in Navy and Marines. (7,000 in Navy and 13 in

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

[2] Apparent reference to Document 170.

Marines). The Sec said he was surprised and maybe it was 60% of all. The Sec repeated it may have been an illustration—not a directive. The Sec mentioned having something firm before Kishi comes. W did not know what position the Sec wanted to be in. The Sec said we want to have a position which will be firm on a substantial reduction in the fairly near future. That is as definite as he is. The more definite and bigger the amount so much the better. You may be in a position where they say don't go so fast—they like the foreign exchange.

W is going to review the fleet tomorrow and then to Quantico. He was going to Canada next week and that means he would miss Kishi—the Sec can get Quarles. W will start to work on it in the meantime to get it cleared up.

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173. Memorandum From the Secretary of State to the President[1]

Washington, June 12, 1957.

SUBJECT

Official Visit to the United States of the Prime Minister of Japan, Mr. Nobusuke Kishi

The Prime Minister of Japan will be in Washington for his official visit between June 19 and 21. He is scheduled to meet with you for official talks at 11:30 a.m., Wednesday, June 19,[2] and at 11:00 a.m., on Friday, June 21.[3] I forwarded to you a schedule for the Prime Minister's entire stay in the United States in my memorandum of June 5, 1957.[4]

Arrangements have been made through Mr. Shanley to meet with you on June 18[5] to discuss substantive matters which Mr. Kishi will raise. Assistant Secretary Robertson and Ambassador MacArthur will accompany me.

Mr. Kishi gives every indication of being the strongest Government leader to emerge in postwar Japan. During his short tenure in office he has become the leader of the Conservative Party. His predecessors tended to represent a faction or factions of that party. He has emphasized that he desires the establishment of a full partnership with the United States and that he is thinking in terms of long range goals rather than immediate political expediency. He feels strongly that the time has come to make readjustments in our present relationship in order to make our relations durable.

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[1] Source: Department of State, Central Files, 033.9411/6–1257. Secret. Drafted by Sidney Weintraub of NA, MacArthur, and Dulles.

[2] See Document 183.

[3] See Document 192.

[4] Not found. A complete itinerary for the Prime Minister's visit is in Department of State Press Release No. 360, dated June 13. A copy is in Department of State, Conference Files: Lot 62 D 181, CF 889.

[5] See Document 177.

After a period of drift, sentiment in Japan is now beginning to crystallize, and we stand on the threshold of a new era in our relations with Japan. The Prime Minister's visit affords a unique opportunity to influence the pattern of this new era in the critical period of the next decade or more. A strong, cooperative Japan is fundamental and essential to our Far Eastern position, and the road that Japan chooses to follow will influence greatly the path which other free Asian nations take.

The Prime Minister has indicated during his conversations with Ambassador MacArthur that he will wish to discuss the following major topics:

1. Security and defense relationships between the United States and Japan;
2. Territorial questions relating to the Ryukyu and Bonin Islands;
3. Testing of large nuclear weapons and disarmament;
4. Japanese war criminals still retained by the United States;[6]
5. United States-Japanese trade relations, including the laws designed to discriminate against Japanese textiles in Alabama and South Carolina;
6. United States-Japanese cooperation in fostering economic development in South and Southeast Asia;
7. Trade with Communist China.

The Prime Minister has emphasized that the existing United States Security Treaty with Japan, principally because of its alleged unequal nature, has become a major irritant in relations between our two countries. Japan's re-emergence as a sovereign nation, the technological advances in the military field since the Security Treaty was signed in 1951, and the alteration of the military strategic concept in the last half decade have altered the character of the United States-Japanese relations upon which the Treaty was based. I believe that the Security Treaty has fully reflected the situation in United States-Japanese relations up to now. However, I feel that the time has come to take the initiative in proposing a readjustment of our relations with

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[6] In a June 13 memorandum to MacArthur, Joseph N. Greene, Jr., Deputy Director of the Executive Secretariat, stated that in response to a query the Department had received from the President, he had telephoned General Goodpaster to say that as of June 14 there were still 66 Japanese war criminals under detention, under the terms of the Japanese Peace Treaty, and that 347 had been paroled, 6 had been discharged, and 7 had died. (Attachment)

Japan and to suggest to Mr. Kishi that we work toward a mutual security arrangement which could, we would hope, replace the present Security Treaty.

I believe, however, that this is not the time to renegotiate any of the specific provisions of the present Treaty. This process requires most careful study and preparation if it is not to precipitate strong Japanese public and Socialist Party demands for such sweeping revisions in the Treaty that our entire security relationship with Japan could be placed in jeopardy. If, however, Prime Minister Kishi concurs in the proposal that we have discussions looking toward a common objective of a Mutual Security Treaty or some other mutually satisfactory security arrangement, we should be prepared, subsequent to his visit, to hold discussions with him in Tokyo. We could lay the groundwork during the visit for such later discussions with him following his return to Japan.

The Prime Minister has indicated that the next most important issue which he wishes to discuss is the United States administration of the Ryukyu and Bonin Islands. The United States cannot relinquish administrative rights over these islands so long as the threat and tension in the Far East continue. Fuller understanding of the military and political realities of the Far East as they affect both the United States and Japan should enable the Prime Minister to explain to his people the military and political reasons underlying our position in the Ryukyus.

Additional irritants which exist in our relations with Japan are our continued inability to agree to the repatriation of some of the Bonin Islanders who were removed to Japan during World War II and the laws in Alabama and South Carolina designed to discriminate against the importation of Japanese textiles.

With regard to the repatriation of Bonin Islanders, the Department of State sees no political objection to our permitting some of the Islanders to be repatriated from Japan. The Department of Defense, however, holds the view that such repatriation would jeopardize our security position in the Bonin Islands. The matter is currently under discussion by the two Departments in the hope of devising some solution prior to the visit of Prime Minister Kishi.

With respect to the State laws in Alabama and South Carolina designed to discriminate against the importation of Japanese textiles,[7] legal action by the Department of Justice to seek a declaratory judgment invalidating these laws on the grounds that they are in violation of the Friendship, Commerce, and Navigation Treaty between the United States and Japan, which was ratified by the United States Senate on July 21, 1953,[8] has been held in abeyance pending the outcome of promised efforts by the United States textile industry to seek the removal of these laws from the books in the two States. In the judgment of the Department of State, this issue will be a most important one in the discussions with Prime Minister Kishi. It is the plan to seek the concurrence of the Attorney General and the Secretary of Commerce to a position whereby Prime Minister Kishi will be informed during his visit that due to current debates, particularly with regard to civil rights legislation, the present is an unpropitious time to take legal action; but that legal action will be taken in case the cooperation of the United States textile industry does not succeed in obtaining the removal of these laws.

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[7] These laws, passed early in 1956, required the posting in stores selling Japanese textiles of signs saying "Japanese textiles sold here". Japan had protested. Although the laws had not been enforced, in a few instances stores had ceased selling Japanese textiles. (Position Paper KIV 5/4, undated, attached to memorandum from MacArthur to Dulles, June 15; Department of State, Conference Files: Lot 62 D 181, CF 889)

I suggest also that you be prepared to discuss frankly with the Prime Minister our policy regarding testing of large nuclear weapons and our general disarmament goals.

John Foster Dulles[9]

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[8] Signed at Tokyo, April 2, 1953. For text, see TIAS 2863; 4 UST (pt. 2) 2063.

[9] Printed from a copy that bears this stamped signature.

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174. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)[1]

Washington, June 13, 1957.

SUBJECT

Future U.S.-Japanese Relationships (U)

1. Reference is made to a memorandum by the Assistant Secretary of Defense (ISA), dated 29 May 1957,[2] subject as above.

2. The Joint Chiefs of Staff consider that Japan continues to be important to U.S. security interests and that Japan must be prevented from coming under Communist domination. They consider that U.S.

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[1] Source: National Archives and Records Administration, JCS Files, CCS 092 Japan (12-12-50). Top Secret.

[2] Not found. According to JCS 2180/95, June 13, a report by the Joint Strategic Plans Committee on future U.S.-Japanese relationships, Sprague had requested the views of the JCS on the future military requirements in the Japan-Ryukyus area, and the missions for the Japanese and the United States in maintaining an adequate defense posture in that area. (*Ibid.*)

policy and programs are, from the military point of view, adequate; these are designed to prevent the Japanese Government from embracing neutralism, yet provide sufficient flexibility to permit evolutionary changes in the future relationship between the United States and Japan. Current national policy takes cognizance of the fact that as Japanese strength grows, dependence on the United States will lessen and should be replaced by a new sense of common purpose, mutual interests and working partnership. To this end, the U.S. objectives provide for a Japan, allied to the United States, which is capable and willing not only to defend herself but to contribute to the security of the Pacific area. The military courses of action to attain these objectives include consultation with the Japanese Government to develop a long-range plan for the buildup of Japanese defense forces and a phased withdrawal from Japan of U.S. forces as consistent with United States and Japanese security interests.

3. While the long-range U.S. policies and objectives which the United States desires to accomplish in partnership with Japan remain valid, the detailed programs and policies for their attainment should be revised in the light of present day conditions.

4. The United States military posture for the foreseeable future must provide for:

a. Deterring general war.
b. Deterring military conflict short of general war.
c. Bringing military conflict short of general war to a rapid and successful conclusion.
d. Accomplishing successfully the initial tasks of a general war.

5. In order to achieve this military posture, the United States must maintain, among other things, a forward deployment of U.S. ready military forces prepared to conduct operations immediately from positions strategically selected both to counter local aggression and to carry out the initial tasks of a general war. This forward deployment currently includes U.S. forces and bases in Japan proper, in the Bonins, and in the Ryukyus. Recognizing that a strong Japan is essential to the over-all U.S. position in the Far East, U.S. forces there are currently contributing to the defense of Japan.

6. The Joint Chiefs of Staff consider that a strong Japan allied to the United States would be a deterrent to a general war, and a deterrent to military conflict short of general war. However, Japanese forces will, over the next few years, have no capability for employment outside of Japan to assist U.S. forces in bringing military conflict short of general war to a rapid and successful conclusion. In the near future Japan will probably be of little assistance in the successful accomplishment of the initial tasks of a general war except to provide a base for U.S. military operations.

7. With respect to the defense of Japan proper, the Joint Chiefs of Staff consider that Japan is capable of substantially increasing her defense forces from her own resources, and that the Japanese Government should assume a degree of responsibility for the defense of Japan more nearly compatible with the country's potential capability. To date, however, the Japanese have not developed an official long-range defense plan, nor have they adopted official force goals for the Japanese Self-Defense Forces (JSDF). The Japanese Defense Agency has prepared a "Six Year Plan" for the development of the JSDF, but the plan has not been officially accepted by the Government, the forces outlined therein fall short of the U.S. Military Defense Assistance force objectives, and even these forces are not being developed as rapidly as scheduled.

8. The primary mission of the JSDF in the defense of Japan for the short term will be the maintenance of internal security, local ground defense, home-based air defense, antisubmarine warfare, minesweeping and harbor defense. Operational and logistical tasks in support of the primary mission will need to be assumed by the JSDF as the capability to perform these tasks is achieved. Once the JSDF achieves the capability and assumes the responsibility for greater defense of Japan, U.S. forces and facilities would no longer be required for that purpose. Although earlier phasing down of U.S. defense forces would weaken the military defenses of Japan, it is recognized that other considerations may justify the acceptance of this military risk.

9. The Joint Chiefs of Staff reiterate that they consider that all U.S. held islands in the Western Pacific, which are not currently or fully utilized for military purposes, are nevertheless an integral part of our base system in the Pacific. This applies particularly to the Ryukyu and Bonin group where the continued use of the base facilities will be required for the accomplishment of the broader purposes set forth in paragraph 4 above. They represent potential assets. Although the need for economy of force and the dictates of national strategy will not permit the maintenance of garrisons or continuous use in all positions, U.S. control must be maintained in time of peace, in order to assure maximum availability in time of war.

For the Joint Chiefs of Staff:
Arthur Radford[3]
Chairman
Joint Chiefs of Staff

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[3] Printed from a copy that bears this typed signature.

175. Background Paper Prepared by Sidney Weintraub of the Office of Northeast Asian Affairs[1]

KIV 8/3a *Washington, June 17, 1957.*

JAPANESE MILITARY SITUATION

Size of Japan's Self-Defense Force

Japan's defense forces remain inadequate either to meet the need for Japan's own self-defense without substantial United States assistance, or to contribute in any material way to free world defense in the Far East. As of March 31, 1957, the strength of Japan's Self-Defense Forces was as follows:

Unit	*Personnel*	*Organization and Equipment*
Ground Self-Defense Force	142,000 uniformed men 12,000 civilians 8,000 reserves	2 corps (6 Divisions) 2 brigades
Maritime Self-Defense Force	22,716 uniformed men 1,345 civilians	5 regional headquarters 2 squadrons 140 ships, 62,000 tons, including 2 destroyers, 1 submarine, 2 destroyer escorts, 18 frigates, 50 landing craft for coastal defense and 81 naval sixcraft (including 40 anti-submarine, 22 trainers).
Air Self-Defense Force	14,434 uniformed men 1,866 civilians	1 fighter squadron 542 aircraft, including 131 fighters, 30 transports, and 349 trainers

Projected 1960 Force

Prime Minister Kishi, in his discussions with Ambassador MacArthur prior to the present visit, referred to Japan's six-year defense plan, now in its third year and scheduled for completion by the end of JFY 1960 (March 31, 1961), which if adopted, will bring Japanese forces to the following levels:

Unit	*Force Goal*	*Target Year*
Ground	180,000 men	1958 or 1959
Maritime	107,000 tons vessels	1960
	220 aircraft	1960
Air	1,300 aircraft (including 777 combat planes of 33 squadrons)	1960

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[1] Source: Department of State, FE Conference Files: Lot 60 D 514, Nobusuke Kishi P.M. of Japan. Secret. Attached to a covering note by Robert K. German of the Reports and Operations Staff. Prepared for use during the Kishi visit.

Personnel Program and Budget Slippages

Present Japanese efforts in achieving time-phased personnel requirements under their six-year plan indicate in the third year (JFY 1957) of operation slippages in the Army of 27,000, in the Navy of 3,700 and the Air Force of 9,400. Indicated below are actual strengths compared to presently authorized and originally planned 1957 strength and Japanese estimated strength levels required to complete 6-year build-up:

1957	*Army*	*Navy*	*Air Force*
6-yr. plan: Objective for 1957	170,000	27,761	25,600
Presently authorized	160,000	26,000	22,600
Actual Strength	143,000	24,000	16,000
1960 Objective	180,000	33,240	44,050

It has been estimated by the U.S. MAAG in Japan that there will be slippage of two years with respect to the Navy program and of at least one year with respect to the Army and Air Force program. There are, for example, only 91 qualified Japanese pilots available against an on-hand inventory of 160 F–86 aircraft.

While the budget requirements under the six-year plan were met in 1955 and 1956 (the first two years of the plan) there was a slippage of 20% in JFY 1957 as summarized below:

(Millions of Dollars)

	1955	*1956*	*1957*	*1958*	*1959*	*1960*	*After 1960*
Required Budgets under 6-year Plan	241	278	350	416	477	533	598
Actual Budget Performance	241	278	281	?	?	?	?

It should be noted that the Japanese estimate of their level-off maintenance support cost is more than double their present defense effort. If Japanese efforts cannot be substantially increased, U.S. military aid, now in the magnitude of over $100 million annually, would only fill one-third of the gap between present budget levels and the ultimate maintenance requirement.

Japan's leaders face serious popular opposition and political problems in carrying out any rearmament program. While the six-year plan outlined above represents a considerable increase over existing military forces, it remains far below what Japan is capable of doing from the standpoint of economic and manpower considerations.

Japan Defense Expenditures

The following table shows the comparatively small amounts spent by Japan for its own defense based on Japan's economic capacity.

Figures in millions of dollars

	Japan Fiscal Years			
	1954	*1955*	*1956*	*1957*
Total budget	2,775	2,814	3,027	3,160
Defense budget	369	369	391	392
Japan Defense Agency	207	241	278	281
Contribution to U.S. Forces in Japan	148	105	83	82
Facilities for U.S. Forces in Japan	14	22	29	29
Defense budget as per cent total budget	13	13	13	12
Defense budget as per cent national income	2–3	2–3	2–3	2–3

Note: Japan fiscal year is April 1–March 31. JFY 1957 began April 1, 1957.

Japan's defense budget over the last six years has averaged annually less than 2 per cent of its gross national product (GNP). This is among the lowest of all countries to which the United States has given military assistance. The general average of other countries is from 5 to 7 per cent of GNP. The U.S. Country Team in Japan has indicated that the Japanese economy can support without adverse economic effect a defense budget equivalent to about 5 per cent of its GNP.

United States military assistance programmed for Japan for USFY's 1955–1957 has been $484 million, of which $66 million were in FY 1956 and $81 million in FY 1957. Proposed military assistance to Japan for USFY 1958 is $170 million. In addition, about $525 million of Army equipment and certain Navy equipment was transferred to Japan from U.S. stocks prior to the first regular military assistance program in USFY 1955.

The Psychological Problem

During the Korean War, Japan was used by United Nations forces as a staging and base area. It is doubtful that Japan would give permission for a similar use in the future in the event of limited or localized hostilities. Because of the psychological impact of the World War II atomic bombings of Hiroshima and Nagasaki, and the fear that Japan would again become a target area in the event of a future war, the Japanese are not likely in the near future to permit stationing in Japan by U.S. forces of nuclear weapons, particularly of an offensive nature. The Japanese Government appears to be interested in acquiring eventually tactical nuclear weapons for its own forces. In this connection, recent statements by Prime Minister Kishi that Japan can possess nuclear weapons for "defense against external aggression" represent a major modification in previous Japanese Governmental opposition to any form of nuclear weapons, offensive or defensive.

Attachment

Japan's force goals and actual strength may be summarized as follows:

	Army	*Navy*	*Air Force*
Original J.C.S. Goal[2]	15 divisions	300,000 tons 10 squadrons	36 squadrons
Revised J.C.S. Goal[3]	8 divisions 4 brigades	120,000 tons 8 squadrons	30 squadrons
Japan Six-Year Plan	6 divisions 4 brigades	107,000 tons 5.8 squadrons	33 squadrons
Planned by end of JFY 1960	180,000 soldiers	33,240 sailors	44,050 airmen
" " " " " 1959	180,000 "	30,134 "	41,795 "
" " " " " 1958	180,000 "	28,611 "	33,340 "
" " " " " 1957	170,000 "	27,761 "	25,600 "
" " " " " 1956	160,000 "	26,000 "	22,600 "
Force now in being	143,000 " 6 divisions 2 brigades	24,061 " 62,000 tons 2 squadrons	16,000 " 4 squadrons

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[2] "Original J.C.S. Goal" as used here refers to the goals set forth in the Appendix to a memorandum from the Joint Chiefs of Staff to Secretary Wilson dated December 21, 1953. For text, see *Foreign Relations*, 1952–1954, vol. XIV, Part 2, p. 1560.

[3] "Revised J.C.S. Goal" apparently refers to goals set in the spring of 1956. A letter from Horsey, in Tokyo, to Parsons dated November 27, 1956, reads in part: "You probably know that new JCS force goals for Japan were established this spring as being more realistic in terms of what Japan could be expected to do and in terms of what we might be prepared to support through MDAP." (Department of State, Central Files, 794.5-MSP/11-2756)

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176. Memorandum From the Secretary of State to the President[1]

Washington, June 17, 1957.

SUBJECT

Japanese War Criminals

Under Article 11 of the Treaty of Peace with Japan, Japan accepted the sentences imposed on Japanese war criminals by tribunals established by the Government of the United States or by the International Military Tribunal for the Far East. The power to grant clemency, to reduce sentences and to parole with respect to prisoners sentenced by United States tribunals may not be exercised except on the decision of the United States, and on the recommendation of Japan. In the case of war criminals sentenced by the International Military Tribunal for the Far East, such powers may not be exercised except on the decision of a majority of the Governments represented on the Tribunal, and on the recommendation of Japan.

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 889. Confidential.

There are now 66 Japanese war criminals, sentenced by United States tribunals and subject to United States jurisdiction, imprisoned in Japan. Australia, the only other Allied Nation continuing to detain Japanese war criminals, holds only eight and has informed the Japanese Government that it will complete the release of these prisoners by the end of June 1957. The Soviet Union contends that it has released all Japanese war criminals in its custody and Communist China has taken steps to expedite the release of the remaining Japanese war criminals which it holds. The Clemency and Parole Board, to which you have delegated authority to make decisions regarding reductions in sentence and parole, is finding it increasingly difficult to grant parole in the remaining cases on the merits of the individual case. However, the continued incarceration of these war criminals almost twelve years after the termination of the war is an important source of political and psychological friction between this Government and the Government of Japan. The Japanese consider such detention as inconsistent with our close alignment with them and again and again have requested that we act to alleviate the situation.

The Department of State believes it desirable to develop a formula under which the United States Government would release on a case-by-case basis those remaining war criminals subject to United States control whom the Japanese Government is willing to see released in Japan. This could be accomplished by following the general policy of accepting the recommendations of the Japanese Government based upon findings made by a responsible and nonpolitical board, established by that Government, after review of all pertinent facts in each case. The Department of Defense has expressed the view that the present procedures under which the Clemency and Parole Board makes the decision regarding individual releases should be continued. It is believed the Clemency and Parole Board would concur in this viewpoint.

I recommend that Prime Minister Kishi be informed during his forthcoming visit that the United States is aware of frictions created by the continued detention of these war criminals and desires to terminate this issue. In view, however, of American public sentiment which has been aroused by the Girard case, it is believed that it would be unwise to change procedures with regard to these war criminals at this time. The matter will be kept under continuing review and steps to alleviate the issue will be taken at an appropriate time.

Alleviative action in Japanese cases should be accompanied by generally comparable action with respect to the German war criminals in Western Germany.

All of the eleven living war criminals sentenced by the International Military Tribunal for the Far East have been released from incarceration by international action and are now on a parole status. The Japanese have recently requested that a full pardon be granted to three of the paroled prisoners since their parole status, and the restrictions which are placed on their activities in view of this status, imposes a stigma and hampers their return to public office.

I recommend that Prime Minister Kishi be informed that there is no provision for pardon in the Treaty of Peace: the negotiating history of the Treaty indicates that inclusion of the power to grant pardon in the terms of Article 11 was considered and rejected. However, the United States would favorably entertain a request by the Japanese Government, addressed to the Governments represented on the International Military Tribunal for the Far East, that the sentences of the three parolees be reduced to time served, which would have the effect of terminating parole and removing parole restrictions. Reduction of sentence can be effected in such cases by majority agreement of France, the Netherlands, Australia, New Zealand, the United Kingdom, Canada, Pakistan and the United States.

JFD

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177. Memorandum of a Conference With the President, White House, Washington, June 18, 1957, 2:30 p.m.[1]

OTHERS PRESENT

Secretary Dulles
Mr. Walter Robertson
Ambassador MacArthur
Secretary Quarles
Secretary Sprague
Admiral Radford
Mr. Hagerty
General Goodpaster

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[1] Source: Eisenhower Library, Whitman File, DDE Diaries. Secret. Drafted by Goodpaster on June 22.

The meeting was held to discuss matters likely to arise during the Kishi visit. Mr. MacArthur began the discussion, saying that we are entering a new phase in our relations with Japan. In the last eighteen months they have restored their political relations with seventy-two countries, and have regained economic viability. Prime Minister Kishi, he said, is a vigorous, dynamic, ambitious politician. He says there must be a readjustment in relations with the United States. The Socialist party has gained strongly in the last few years, largely because of lack of leadership on the part of the Conservatives. The press in Japan is not of top caliber. Owners are very conservative, but the material printed is very negative and leftist. Mr. MacArthur thought that if we do not work with Japan, within five years they will be headed in the wrong direction. They might adopt neutralism, perhaps on the Swiss, but perhaps on the Indian, model. They might even turn to work with the Communists.

Secretary Dulles said that with regard to security and defense, Japan has certain changes in mind, including amendment of the Treaty. Mr. Dulles thought it was not desirable to tinker with the Treaty, but felt that steps can be taken to put our relationship on a more cooperative basis. If the Japanese are simply trying to ease us out and then be independent, we should find this out, and probably pull out on our own. Mr. MacArthur said that if we give Kishi the measures he is requesting, he thinks he can get himself into position to make constructive changes in the Constitution within a year or two. Secretary Dulles asked what the group thought of the idea of joint control of disposition and use of forces. The President saw no objection to joint control of dispositions, in the sense of joint agreement on changes therein. Admiral Radford said the Joint Chiefs feel we cannot count on use of Japan, and therefore are willing to pull out. It was stressed that we should not agree to any joint control of the use of U.S. forces. Secretary Quarles said that with regard to withdrawal from Japan, Defense proposes to take out 40% in the next twelve months (i.e., approximately 40,000) including all our ground forces. Mr. MacArthur said that Kishi has asked for withdrawal of the maximum, including all ground forces.

The President said that he felt we should take the initiative in this matter, and shift the burden for proposals to continue our forces there from ourselves to Japan. Admiral Radford added that Defense is planning no longer to advise the Japanese as to the forces they should have, but rather to let them decide for themselves. One implication of this was that we would thereby reduce our obligation to support them.

Secretary Quarles suggested that the President might emphasize our mutual defense interest in the West Pacific, as well as the free world interest in security in that area.

Secretary Dulles next referred to territorial problems, indicating the Japanese want us to agree to pull out of the Ryukyus in some fixed period of time. The President asked if we could not connect our withdrawal to some development in the cold war situation. A major improvement in this situation would reduce the need for forces in the Western Pacific. Also, it would be possible to relate withdrawal to substantial disarmament steps. Secretary Quarles pointed out that such a condition is a rather "tough" one, since it does not seem to be in sight in any near future. He felt we should be very careful not to give them a claim to the Ryukyus or the Bonins. The President commented that we are staying there only because of the Communist threat, and Secretary Dulles pointed out that such a condition already exists in the security treaty. Little could be added by repeating it. If we give up our position in Japan, we have all the more reason to stay in Okinawa. The President still thought that this would be the best way to define the period we intend to stay in Okinawa.

With regard to Japanese proposals for the return of former residents of the Bonin Islands to those islands, State indicated readiness to agree to some number going back, but Defense was opposed to having any go back. Secretary Robertson suggested bringing back about 2500 (of the 7000 involved). Admiral Radford said that they will adopt an attitude of hostility toward our military organizations there, and will steadily demand more from us. The President asked why we have so different an outlook as between Germany and Japan in this matter. We are present in Germany only by their insistence. Secretary Dulles said he was inclined to feel that if we let the Bonin Islanders in, the result would be trouble for us. While the action might give Kishi some immediate prestige, he thought the matter could be left in abeyance until later in the conference. The President asked Admiral Radford to let him have a memorandum concerning the military requirements in the Bonins.[2]

On the subject of nuclear testing, the President suggested that State arrange for a thorough briefing of Kishi regarding our disarmament plans. The subject of war criminals was next discussed. Secretary Dulles wound up by suggesting that we should shift the responsibility on to the Japanese for deciding as to the parole of the remaining sixty-six in prison, and the President agreed, adding that we should make clear to the Japanese their responsibility for seeing that justice is maintained, since some of the offenses were quite heinous.

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[2] See Document 185.

After discussion of problems in the area of United States-Japanese trade relations, it was agreed to point out the successful results of efforts of a voluntary character to keep problems under control. With regard to Japanese proposals for an economic development fund, Secretary Dulles said that Mr. Randall and Mr. Dillon are making a study of the Japanese plan. On the matter of trade with Communist China, Mr. Dulles said that we cannot prevent the Japanese from following the British course. He said that he felt our allies should have given more weight to our views, in recognition of the fact that we are carrying the major defense responsibilities in that area. He said that the Japanese will now say that they must follow the British because of the need to maintain their competitive position.

[*1 paragraph (6½ lines of source text) not declassified*]

G
Brigadier General, USA

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178. Memorandum by the Ambassador to Japan (MacArthur)[1]

Washington, June 18, 1957.

The following is a summary of the conclusions reached at the meeting with the President this afternoon. The meeting was attended by Secretary Dulles, Deputy Secretary of Defense Quarles, Admiral Radford, Assistant Secretary of Defense Sprague, Assistant Secretary of State Robertson, Ambassador MacArthur, General Goodpaster and Mr. Hagerty.

1. The President will speak to Mr. Kishi about the withdrawal of U.S. Armed Forces from Japan. The President would make clear that we did not wish to maintain forces in Japan unless Japan wanted them, and also that we had already decided to reduce our forces by forty per cent in the next twelve months including the withdrawal of all ground combat forces, both Army and Marines.

2. The President requested Secretary Dulles to give Mr. Kishi a good briefing on disarmament.

3. The President approved the Secretary's formula for dealing with the sixty-six Class B and C war criminals and authorized him to discuss his formula with Mr. Kishi. (*Note:* The timing is bad to make any formal announcement of the formula at the end of the visit be-

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 889. Secret.

cause of the Girard case. Therefore, we would have to speak with Mr. Kishi in confidence about this matter and would also have to have any reference in the communiqué to the war criminal situation very general; perhaps along the lines that Mr. Kishi had raised this problem and that the United States would study it, etc. There is considerable to be said for trying to avoid a reference to this problem in the communiqué.)

[Numbered paragraph 4 (7½ lines of source text) not declassified]

5. At the conclusion of the meeting, the President asked that the State Department devise, for his consideration, a formula to permit the return of certain Bonin Islanders. While a decision as to whether or not some of the islanders would be permitted to return was deferred, the President nonetheless wanted to have a look at a possible formula. (*Note:* Mr. Robertson has sent to the Secretary for approval a memo to the President outlining a formula.)[2]

6. The Secretary discussed with the President Japanese pressures for us to take legal action against the states of Alabama and South Carolina because of their discriminatory laws against Japanese textiles. The President approved the following position:

> We would explain to Kishi the complications in taking legal action and the strong desirability of obtaining voluntary repeal next year after the legislatures reconvene. If Kishi presses hard for legal action the Secretary would commit the U.S. Government to institute legal proceedings if we do not succeed in obtaining voluntary repeal the first half of next year.

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[2] Apparently the memorandum *infra.*

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179. Memorandum From the Secretary of State to the President[1]

Washington, June 18, 1957.

SUBJECT

Repatriation of some Bonin Islanders

At the conclusion of our meeting this afternoon[2] you asked for a formula to be developed which you might consider regarding the return of long resident Bonin Islanders to those localities in the Bonin Islands where we do not have important military installations. The exact number to be repatriated would have to be determined by the United States after making a survey as to the number of islanders the available areas will support. The persons to be selected for repatriation should be genuine Bonin Islanders who were well established Island residents before World War II. They would also have to be screened to establish that they were returning to the Islands for the purpose of establishing an orderly life.

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[1] Source: Eisenhower Library, Whitman File, Dulles–Herter Series. Secret. The Department of State copy of this memorandum indicates that it was drafted by MacArthur. (Department of State, Central Files, 794C.0221/6–1857)

[2] See Document 177.

It is suggested that in our discussions with Mr. Kishi we could inform him of the above and then propose to him the following screening and selection process:

(a) The United States determines the number who could be repatriated and transmits this figure to the Japanese Government;
(b) The Japanese Government determines which families from the Bonins (but not including Iwojima) should be repatriated using length of family residence on the Islands, desire to return, and security factors as principal criteria;
(c) Visa applications are then submitted to the United States Embassy Tokyo for those selected;
(d) The United States will issue visas in accordance with usual screening and other procedures;
(e) The Japanese Government will defray all costs of transportations and of proper resettlement of the Islanders;
(f) The Japanese Government agrees to deal with all complaints that might arise out of this process.

JFD

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180. Memorandum From the Legal Adviser of the Department of State (Becker) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, June 18, 1957.

SUBJECT

Talking paper on Girard case

The attorneys for Girard filed[2] in the United States District Court for the District of Columbia an application for a writ of habeas corpus naming as defendant, among others, Secretary of State Dulles and

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[1] Source: Department of State, Central Files, 711.551/6–1857. Secret.

[2] On June 6.

Secretary of Defense Wilson. The relief requested was that Girard be brought before the Court in order to determine the legality of the action taken by the United States, through the Joint Committee, in notifying the Japanese authorities that the United States authorities did not intend to try Girard. This is an appropriate means under United States law to determine such a question. Pending a determination of this issue, the Court issued a temporary restraining order prohibiting all concerned from turning Girard over to the Japanse authorities.

As is well known, the United States Government, acting through the United States Attorney, assisted by other attorneys representing the Department of Justice, opposed this application and filed briefs and submitted oral argument in opposition to the application by Girard's attorneys.

The decision of the District Court[3] was that the proposed delivery of Girard into the custody of the Japanese authorities for trial would violate Girard's rights under the Constitution of the United States.

We are advised by the representatives of the Department of Justice that they believe that this decision is erroneous and they intend to appeal it, if necessary, to the United States Supreme Court. These attorneys also advise that—regardless of the result—it is practically inevitable that we shall not be able to obtain a final determination of this controversy by the Supreme Court until fall—since the Supreme Court is recessing for the summer and will not convene again until October. In the meantime, the attorneys have no doubt that the restraining order binding upon the Secretaries of State and Defense, as well as the military authorities, will be continued in full force and effect until such final determination can be secured.

As is well known, the United States, despite the strongest pressure from public opinion, has consistently taken the position that it would honor its commitment to turn over Girard to the Japanese authorities for trial. There has been no change in that position, as indicated by the decision to appeal to the upper courts, despite the District Court's decision.

Under these circumstances, it is imperative that everything possible be done to defer a trial before the Japanese court until the American authorities are free, under our law, to comply with a request that Girard be produced for trial. While it is impossible to predict with certainty the outcome of any litigated matter, the attorneys of the Department of Justice have advised us that they believe that the decision of the District Court is erroneous and should be reversed on appeal, either by the Court of Appeals or by the Supreme Court of the United States.

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[3] Rendered June 18; for text, see Marjorie M. Whiteman, ed., *Digest of International Law*, vol. 6 (Washington: U.S. Government Printing Office, 1968), p. 747.

By analogy to the practice in the United States courts, it would be appropriate for the Public Prosecutor to request that a trial be postponed until he had further opportunity to prepare his case. Moreover, it is customary for courts to recess during the summer months, and it is possible that the Girard case in the Japanese court could be put over until the fall upon this ground.

In the happy event that a postponement could be obtained from the Japanese court in as routine a manner as possible, there is a strong likelihood that existing public agitation over this matter, both in Japan and the United States, would subside. If we are able to secure a Supreme Court decision reaffirming the legality of the Administrative Agreement, as amended, this might also tend to lessen demands on the part of certain members of Congress that legislation be enacted requiring further changes in the Administrative Agreement, which could lead to the embarrassment of both Governments.

In this matter, time is of the essence.

If any question is raised as to why the United States Attorney did not argue that Girard's action was not, in fact, "in performance of his duty", it might be answered along the following lines:

1. If this issue had been raised, the court would have required that Girard be brought back to the United States in order to have that issue of fact resolved. The court so stated in its opinion.
2. The Department of Justice attorneys are of the view that the action taken by the United States authorities in this case was legal and constitutional, whether or not Girard was acting in performance of his duty.
3. Such a contention would have been a predetermination of Girard's case before its consideration by the Japanese court and a change in a position which was not withdrawn by the United States representatives on the Joint Committee when they waived jurisdiction under the Administrative Agreement, as amended.

It may also be desirable to note that the court's decision was made upon the express assumption that:

> " . . . [4] the petitioner would receive a fair trial if the defendants should deliver the petitioner to the Japanese Government for trial under the Japanese Constitution and laws."

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[4] Ellipsis in the source text.

181. Memorandum of a Conversation, Washington, June 19, 1957[1]

SUBJECT

Appeal of the Girard case

PARTICIPANTS

Solicitor General Rankin[2]
Deputy Attorney General Rogers[3]
Oscar Davis, of Solicitor General's Staff
Mr. Doub, Chief, Civil Division, Dept. of Justice[4]
Roger Fisher, of Solicitor General's Staff
Assistant Secretary of Defense Sprague
General Counsel of Defense Dechert
General Jones, Assistant JAG
Deputy Under Secretary Murphy (for part of the meeting)
The Legal Adviser, Mr. Becker

The Solicitor General inquired as to the seriousness of the situation presented by the present posture of the Girard case. Deputy Under Secretary Murphy spoke briefly on its impact in Japan and attention was called to the fact that from the view of the State Department most of the relevant considerations had been set forth in the second affidavit filed on behalf of the Secretary of State.[5] The JAG representative pointed out that it had serious repercussions in that it was probable that waivers could no longer be obtained for American troops and that they would be put in foreign jails all of the time. It would have a most unfortunate effect on the MSA Program, particularly in Congress.

After some further discussion along this line the Solicitor General expressed the view that, in view of the importance of a request under Rule 20,[6] they would probably require an additional and possibly stronger affidavit from the Secretary of State. Mr. Becker responded that he felt that the Secretary of State had covered all the points he could in the affidavit which had specifically been prepared for use in a Rule 20 proceeding. He pointed out that the Secretary had even used the words of the rule "imperative public importance" so as to put him on record that the case was one coming under the rule. Mr. Becker stated that we needed a fresh note here and this could be secured through an affidavit on the part of the Secretary of Defense. He could pertinently cover all of the points that were not fully dealt with in the Secretary of State's affidavit. The Defense representatives pointed out that Secretary Wilson was in Maine, but it was suggested in return that we could scarcely ask the Supreme Court to defer its vacation on the ground that the Secretary of Defense, being on vacation, was unable to make an affidavit.

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[1] Source: Department of State, Central Files, 711.551/6–1957. Secret. Drafted by Becker.

[2] J. Lee Rankin.

[3] William P. Rogers.

[4] George C. Doub.

[5] Not printed.

[6] This procedural rule allowed for appeal of lower court decisions directly to the Supreme Court.

Mr. Rogers expressed himself strongly to the effect that the really serious impact of this case, as he saw it, was that a decision by the President, approving a joint decision of the Secretary of State and the Secretary of Defense, could be held up for months, with grave potentiality of injury to United States interests throughout the world, by the decision of a United States District judge.

Mr. Murphy pointed out that the action with respect to the waiver of jurisdiction had been taken by the Army without prior consultation with the State Department. Mr. Dechert conceded that State had not been consulted in the sense that its advice had been requested, but insisted that the State Department was informed from the very beginning. As a matter of fact, the Girard case first came to his attention by reason of a cable from the United States Embassy in Tokyo. Moreover, an Embassy representative had attended all meetings of the Joint Commission. He also read from a cable of mid-April[7] (the actual announcement to the Japanese was not made until mid-May) directing three weeks of further negotiation and then a waiver of jurisdiction if the Japanese did not agree. A copy of this cable had been sent to State and there was comment in a later State cable[8] raising the question as to the Military's right to interpret the agreement, but saying that the issue would not be pressed in view of the decision to waive jurisdiction.

Oscar Davis, on behalf of the Solicitor General, inquired whether we could not gain the same favorable results by an immediate appeal to the Court of Appeals. He felt that we could get an expeditious hearing before the full Bench, and possibly a unanimous decision in our favor by the Court of Appeals might induce the Supreme Court to deny certiorari as soon as it convened in October. This might be a very expeditious way of dealing with the case. It was pointed out, however, that the Court of Appeals did not really want to handle this case because it knew that eventually it would have to be denied by the Supreme Court. Furthermore, there were additional considerations such as the fact that Girard's enlistment was up in October. Although his discharge might be deferred by preferring charges against him, as pointed out by JAG, this in itself might be considered a violation of the agreement by the Japanese.

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[7] Possibly a reference to DA 921933, Document 130, although it is dated April 26.

[8] Reference is to telegram 2381, Document 131.

During the course of this discussion Deputy Under Secretary Murphy left the meeting.

After further discussion, Mr. Becker expressed himself strongly in favor of an immediate application requesting the Supreme Court to remain in session for such period as it regarded appropriate for making a final determination of the Girard case. The Solicitor General agreed that an application for summary disposition would be out of order. Mr. Becker relied in part upon the reasons stated by Mr. Rogers and also upon the extreme importance of the case insofar as the State Department was concerned. Mr. Becker did not share Mr. Davis' concern that we would get a black eye were the Supreme Court to deny our request. From the point of view of State, this would be a favorable factor in our dealings with the Japanese, since they would appreciate the fact that we were treating this matter as one of first importance.

Both the Solicitor General and his assistant, Oscar Davis, expressed the view that if the Supreme Court were requested to act under Rule 20 in this case it would do so.

Mr. Dechert expressed himself as in agreement with the position taken by Mr. Rogers and Mr. Becker.

The Solicitor General expressed some concern over the effect on our overall litigation position were we to irritate the Supreme Court by requesting it to remain in session when the Justices were anxious to get away. The others present at the meeting did not feel that this factor should govern the decision, but recognized that it was a consideration that Justice would have to evaluate.

Mr. Rogers commented that ultimately the question would have to be decided by the President and the Secretary of State, and Mr. Becker stated that it was his view that this had been done.

Since the Solicitor General desired to discuss this matter further with the Attorney General, the meeting broke up without any final statement of position on the part of the Department of Justice.

182. Memorandum of a Conversation, President's Guest House, Washington, June 19, 1957, 11 a.m.[1]

KIV/MC-2a

SUBJECT

Girard Case

PARTICIPANTS

Prime Minister Kishi
Ambassador of Japan Asakai
Director, American Affairs Bureau, Foreign Ministry, Koh Chiba
Assistant Secretary Robertson
Ambassador MacArthur
J. Owen Zurhellen, Jr.

During their call on the Prime Minister at the President's Guest House, Messrs. Robertson and MacArthur asked to see the Prime Minister privately to discuss the Girard case.

Mr. Robertson said that he wanted to make it clear that the United States Government was the defendant in the motion brought by Girard's attorney in the United States, and that the Government was endeavoring to uphold the decision of the Joint Committee. The Government was making every effort to have the trial of Girard referred to Japan, but the matter was tied up in legal proceedings. It would take some time to bring the matter through the appeals court and the Supreme Court, but the Government was prepared to take the matter to whatever court was necessary.

The President, the Secretary of State and the Secretary of Defense, Mr. Robertson continued, feel that the decision of the Joint Committee was handled in accordance with established procedures and that the decision has the support of the Executive Branch of the United States Government, from the President down. Since we must await the final decision of our courts, it would be helpful if Japan could postpone the beginning of Girard's trial through some routine procedure. The United States was not making an official request for postponement of the trial, but felt that if it could be delayed it would be helpful from the point of view of Japan as well as that of the United States.

The Prime Minister replied that the Girard incident really was an unfortunate one for both the Japanese and the American Governments. The Japanese Government appreciates the stand taken by the United States Government in spite of the difficulties with which it is faced. It is important, he said, that both countries endeavor to prevent further excitement of public opinion because of this incident. Regarding the point raised by Mr. Robertson, the Prime Minister stated that he would see what could be done.

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 889. Secret. Drafted by Zurhellen.

Mr. Kishi then asked how long it was expected to be before the Supreme Court could deliver its verdict. Mr. Robertson replied that he did not know exactly, but that it might be a matter of several months if the case had to go to the Supreme Court. The Supreme Court will adjourn on next Monday (June 24) and will not reconvene until about October 1. He wanted to emphasize, he continued, that the United States Government intends to fight the case to the Supreme Court if necessary.[2]

Ambassador MacArthur said that we wanted to avoid a situation where the Japanese court might act and demand Girard's presence while the injunction against the United States Government is still in effect. If any means, such as a court recess, the need for time to prepare the case, or the like, could be found to postpone the beginning of the trial in Japan, it would be helpful.

Mr. Kishi replied that he understood the situation well and that he would try to work the matter out smoothly.

The meeting thereupon ended.

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[2] See Document 199.

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183. Memorandum of a Conversation, White House, Washington, June 19, 1957, 11:30 a.m.[1]

KIV/MC-3

SUBJECT

Kishi Call on President

PARTICIPANTS

Prime Minister Kishi
Ambassador of Japan Asakai
Member of the Diet, Mr. Takizo Matsumoto

The President
The Secretary of State
Assistant Secretary Robertson

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[1] Source: Eisenhower Library, Whitman File, International Series. Secret. Drafted by Zurhellen. Another copy of this memorandum is in Department of State, Conference Files: Lot 62 D 181, CF 889.

Ambassador MacArthur
J. Owen Zurhellen, Jr.

The Prime Minister called on the President at the White House at 11:30 a.m., June 19, 1957. After greetings by the President, Mr. Kishi said that he was very happy to be able to meet with the President, and felt that their meeting marked a new turning point in Japanese-American relations and an opportunity to strengthen ties between the two countries.

To begin with, the Prime Minister continued, "our conservative party" (the Liberal-Democratic Party) is based on anti-communism, freedom, and the recognition that Japan is a member of the community of free nations. We follow a liberal, democratic policy. We are not neutralists, and Japan will not go neutralist. With the help of the United States, Japan has become a member of the United Nations, and as one of the free nations has a heavy responsibility which it must live up to. Japan has both domestic and international responsibilities; on the domestic side, Japan's policy is one of anti-communism; on the international side, it is one of close cooperation with the United States.

Mr. Kishi said that the two major political parties in Japan are his own, the Liberal-Democratic Party, and the Socialist Party. The Socialist Party, he stated, is led by leftists, particularly by SOHYO, which is communist in thought. If the Socialist Party should take over the government in Japan, the policies of domestic anti-communism and intentional alignment with the United States would come to an end, and it is therefore essential that the Liberal-Democratic Party continue in power. During the last five years the conservative party has divided, but now it has been unified and strengthened, and it is essential that it remain in power in Japan to carry out its policies and achieve internal stability.

The Liberal-Democratic Party, said the Prime Minister, has slightly less than a two-thirds majority in the House of Representatives and in the House of Councillors. It is not likely that the Socialist Party would be able to upset this majority within the next one or two elections and take over the cabinet. On the other hand, the Liberal-Democratic Party requires a full two-thirds majority to carry out the revision of the constitution, and to attain that majority the party must gain the support of the younger generation; it is necessary that steps be taken now to make sure that the Socialists will not be in power ten years hence. Mr. Kishi does not believe that the young people of Japan are Marxists, but on the other hand the conservative parties of the last few years have not appealed to youth. There is a rising tide of nationalism (but the Prime Minister emphasized that he did not mean ultranationalism) in Japan, which insists upon Japan's independence. His party must, therefore, be able to act from a position of independence.

The Prime Minister went on to say that the Japanese masses are not pro-communist, this would be contrary to their racial characteristics. The majority, on the contrary, are friendly to the United States. Even though they are friendly to the United States, however, this does not mean that they would necessarily be satisfied with an indefinite continuation of the present situation. There are certain things which they feel ought to be rectified.

The Soviet Union, Communist China and the Japan Communist Party, said Mr. Kishi, tried at first to communize Japan. They have failed in that, and now they are trying to alienate Japan from the United States. If even a small crack is opened between Japan and the United States, the communists will drive a wedge into it. We must endeavor to prevent any such crack from being opened.

The Prime Minister said that he had already explained his basic thoughts to Ambassador MacArthur in Tokyo in an extremely frank manner, and that he did not expect that his visit to the United States would in itself bring about solutions to all of the problems which exist in Japanese-American relations. He did, however, want to build a basis for future good relations, and wanted to enumerate several of the outstanding problems in order to assist in their understanding.

The first problem, said Mr. Kishi, was that of defense and the Security Treaty. Japan has put aside its previous defense plans, which were not considered adequate, and the National Defense Council has now adopted a Three Year Defense Plan. This plan is not completely sufficient, but it is at least a first step in line with the capacity and strength of the nation. Regarding the Security Treaty and the Administrative Agreement, there are some who want revision, and even some who call for abolition of these agreements. But I, stated the Prime Minister, think that Japan could not get along alone and that we need help even if we are to complete our Three Year Plan. But the situation is different now from that at the time the Security Treaty was signed. Then we had no troops; now we have our Self-Defense Forces. Then the United States bore the entire responsibility for defense; now we have a share. Moreover, we are now a member of the United Nations. The fact that these differences exist warrant our governments' looking over the treaty at this time.

The year before last, the Prime Minister continued, as Mr. Dulles will remember, Mr. Shigemitsu asked that the Security Treaty be revised into an "equal" agreement, because he believed that Japan was in a "subjugated" position under the Treaty. I do not have that feeling. There are, nevertheless, some matters which we would like to see reconsidered. For instance, under the Treaty the employment of your forces in Japan is subject to the unilateral determination of the United

States; we would like to have this subject to consultation with the Japanese side. Moreover, there is no time limit on the Treaty; we would like to have some limit set.

Next, said Mr. Kishi, I would like to mention territorial problems. In the north Kunashiri and Etorofu are occupied by the Soviet Union. In the south Okinawa and the Ogasawara (Bonin) Islands are occupied by the United States. These four places constitute our territorial problem. Regarding the northern islands, last year during our negotiations with the Soviet Union the United States made clear its interpretation of the San Francisco Treaty concerning these islands. We intend to press on this point until we get a final treaty with the Soviet Union.

The Japanese people, he continued, know that Okinawa is a powerful base for the United States, and they are not opposed to its being a base because they knew that it is for the security of the Far East. The Japanese do not understand, however, why there is a need for the United States to hold political and administrative power in Okinawa just because it is a military base. They understand that Okinawa will ultimately be returned to Japan, but the United States has administrative power on an indefinite basis and it is not clear when the return will be. There are two points, the Prime Minister said, which he wanted to emphasize about Okinawa:

1. The 800,000 people of Okinawa are Japanese, and they are not different from the rest of the Japanese people. The problems of Okinawa are not simply those of 800,000 Okinawans, but of 90,000,000 Japanese. It may be thought that the Japanese Government interferes too much in the affairs of Okinawa, but they are our people.
2. The land problem is serious. The territory is small, and arable land is scarce. If land is taken for military use, even though payment is made, no other land can be obtained, because there is no other land. The people in Okinawa are therefore even more attached to their land than are the people in other parts of Japan.

This being the situation, it is in the interest of the United States-Japan partnership to consider these issues.

The second territorial problem, continued Mr. Kishi, is the Bonin Islands. The people who used to live there want to go back to the graves of their ancestors. Some solution to this problem would be helpful.

Also, he went on, a small matter and one having no direct connection with the above is the problem of war criminals, who number 66. It is now twelve years since the end of the war, and they remain in prison. If you can do so (the Prime Minister emphasized the word "if") I would appreciate your expediting their release.

Next, said Mr. Kishi, are the economic problems. Japan consists of four small islands, and has 90,000,000 people. This population constitutes a very great problem. Lately, and with the help of the United

States, Japan has achieved economic recovery and even a certain prosperity, but Japan must depend on foreign trade. Our biggest market is the United States, and we appreciate the action of the Federal Government regarding textile matters. We would be grateful if you do everything possible to facilitate the orderly export of Japanese goods to the United States.

Just prior to coming to the United States, the Prime Minister continued, I visited Burma, India, Pakistan, Ceylon, Thailand and Formosa. Economically, politically and socially there is unrest in Southeast Asia, and this provides grounds for communist infiltration. We must build a basis for economic prosperity in Southeast Asia. Japan wants to export to Southeast Asia, but we must first increase their purchasing power. Japan wants to help in that.

The President broke in to ask which countries Mr. Kishi had visited, and Ambassador MacArthur repeated the countries enumerated above.

Mr. Kishi continued that there are two basic problems in this area, capital and technical know-how. He said that he would discuss these matters later in detail. Next, he said, comes the question of trade with Communist China. Japan has geographical and historical relationships with China, and the population problem makes the people desirous of increasing foreign trade. In the CHINCOM discussions Great Britain has done away with the China differential. Japan also favored this step, but felt, as a member of the free world, that agreement should be arrived at by all of the parties. The majority of the CHINCOM nations are following the British lead and abolishing the differential, however.

The internal development of the Japanese economy, said Mr. Kishi, will require American help in the form of capital and technical know-how in the future as it did in the past. Lately, Japanese foreign trade has become unbalanced, and Japan's foreign exchange pattern has worsened. This has been mainly due to increases in imports. The price level has remained stable, however, and infiltration has been checked. Plant investment has been emphasized, production facilities are being improved, and it is believed that the situation will improve. The Prime Minister said, however, that any assistance which the United States might be able to offer in this regard would be appreciated.

Mr. Kishi thereupon concluded his presentation, and asked for the President's opinions.

The President said that all of these subjects would be discussed in detail at his meetings at the Department of State, and said that he would make only general comments.

First, said the President, he was delighted with the general presentation made by the Prime Minister of his party's aims and thoughts. The United States recognizes the importance of Japan in the

Western Pacific. The basic policy of the United States is to maintain and develop our friendship with Japan. We recognize also that Japan can be a true partner only if it is strong spiritually, in the sense of combating the dangers of communism, strong economically, and possesses defense forces capable of making it a real ally in case of attack in that part of the world. Because of these convictions, the President said, Japan's problems would be viewed most sympathetically and we would go in to the means by which the problems could be solved and Mr. Kishi could be enabled to continue leadership of his party.

It must not be forgotten, the President continued, that the great burden of defense in the Pacific lies upon the United States, and that for that reason our forces stationed in Japan have been larger than would otherwise have been the case. We are aware of the problems created for Japan, and also for the United States, by the presence of our troops in Japan. We do not like to be anywhere where we are not wanted. We are therefore ready to consider beginning to withdraw our troops. We realize that in a crowded country the presence of foreign troops causes unusually acute problems and we are ready to talk about that as one of the ways in which we can help.

Concerning the territorial problem, the President said, our only thought is to be able to react swiftly in the even of attack without interference. But we will talk over this problem and try to be helpful.

The President said that on the question of war criminals he had wished for some time that that responsibility lay with Japan rather than with the United States. The Secretary of State would have a formula to offer concerning this matter. He wanted to point out, however, that some of the war criminals had committed very inhumane acts, and he would like to feel that the Japanese sense of justice would enter into the disposition of the cases.

He realized, the President continued, Japan's need for markets. When it comes to the United States absorbing more goods, however, we have problems. Pressure groups concerned with textiles, toys, cameras, etc. come to the President and insist that imports be stopped. So far we have found Japan's voluntary means satisfactory, and in the meantime we are using our influence in the matter of boycotts. We have, the President pointed out, a peculiar federal system in the United States. The two states which have laws against the sale of Japanese textiles have not actually enforced those laws, however. In both these matters, said the President, regarding imports and discrimination, we will do our best. The administration firmly believes that the free world should work for the increase of trade among its members.

The President said that he would not comment now regarding economic aid for Southeast Asia or trade with Communist China, as these were technical subjects. Our thinking on Southeast Asia, however, was similar to that of Mr. Kishi. We understand completely

Japan's need for trade with Red China, but the President had two comments to make. Our money is not unlimited; any plan for economic aid to Southeast Asia must be supportable, realistic and practical. We feel that Red China has only limited foreign exchange and capacity to pay for imports. The removal of the China differential, therefore, will result merely in a change of kind and not of amount in trade with Communist China. They will now use their limited funds to purchase more warlike goods, but there will be no overall gain in amount. We understand, however, that even though this is so Japan must keep its competitive position vis-à-vis England. We appreciate Japan's sticking with us in the CHINCOM talks, and we recognize her needs now.

The President said that these matters would be discussed later in detail, and the meeting ended at 12:30 p.m.

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184. Memorandum of a Telephone Conversation Between the Secretary of State and the Attorney General (Brownell), Washington, June 19, 1957, 2:56 p.m.[1]

TELEPHONE CALL FROM MR BROWNELL

The Sec returned the call and B said if we go to the Supreme Court it should be late today or tomorrow. Wilson is salmon fishing and they are after him to come back and share the responsibility with the Sec. We need a statement from him. The Sec said they have been trying to shove it on to the Sec. B said it is up to the Sec and the Pres to decide. We can save time going directly and we have reason to think they will accept the case. The Sec mentioned talking with the Pres about it. It would be done for full argument said B—we would not want to do it on summary basis nor would the Court. The Sec thinks we should go ahead and the Pres feels that way. He said he would follow legal advice but his instinct is to move. B said we cannot show a critical emergency but there is involved an important point of Presidential power that would have world-wide repercussions. The Sec said it affects our mutual security program and the ability to station forces abroad. They have jurisdiction on their soil except to the extent they relinquish it. B talked with Knowland—There will be a hassle in Congress re waiving jurisdiction. Knowland personally feels the Executive decision should be upheld. The Sec backed it because we had informed the Japanese Govt and they had acted on that. By checking through the Ambassador we found it would be serious to reverse it. B said unless you hear from us we will file in the Supreme Court.

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

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185. Memorandum Prepared in the Office of the Joint Chiefs of Staff for the President's Staff Secretary (Goodpaster)[1]

Washington, June 19, 1957.

SUBJECT

Bonin Islands

The following items are submitted in brief explanation of some of the more important factors from a military point of view to be considered in connection with retention of the Bonin Islands. These factors relate only to this element of the problem, and are not to be construed as covering the entire problem.

[*1 paragraph (2 lines of source text) not declassified*]

Our base system in the Pacific Ocean is a single strategic entity which comprises numerous island positions. While economy of forces will not permit maintenance of garrisons in all these positions, the maximum U.S. control must be maintained in order to assure maximum availability in time of war.

[*5 paragraphs (14 lines of source text) not declassified*]

Of interest in connection with the foregoing is the physical size and conformation of these islands. They are small; they have almost no economic potential and were utilized by the Japanese almost entirely to increase Japanese military potential.

It has been contended that we should be willing to repatriate the Bonin Islanders to areas on which there are no important military installations. The Joint Chiefs of Staff believe that repatriation of a Japanese-oriented group to any of these islands, regardless of whether or not there are at present any military installations, would largely negate their potential usefulness. Furthermore, the difficulties which would ensue as a consequence of such partial repatriation are clearly indicated by our experience in the Ryukyu Islands.

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[1] Source: Eisenhower Library, Whitman File. Secret; Restricted Data. The source text bears Eisenhower's initials, indicating that he saw it.

186. Memorandum of a Conversation Between Secretary of State Dulles and Prime Minister Kishi, Department of State, Washington, June 20, 1957, 9 a.m.[1]

KIV/MC–5a

SUBJECT

Security and Defense

[Here follows a list of participants (28). Dulles and Radford were the senior United States representatives. Kishi's principal aides were Ambassador Asakai and Chief Cabinet Secretary Hirohide Ishida.]

The Secretary of State opened the meeting by referring to the general and useful discussions which the Prime Minister had had the previous day with the President. He stated that it had already been made evident that we are approaching common problems in the spirit of friendship and are searching for solutions in the common interest. He was particularly happy to be present himself because of the earlier role he had had in making the Peace and Security treaties with Japan. It was recognized at that time that the relationship then being established was in the spirit of respect for Japan and the desire to create a relationship on a lasting basis. The Secretary assured the Prime Minister that the same spirit now animated us as we approached a new era in our relations.

He suggested that for today's agenda, the Prime Minister might first give a presentation and then Admiral Radford might address the group on the world military situation.

Prime Minister Kishi said that on the afternoon of the previous day he had discussed basic Japanese-United States relations with the President and the Secretary, and had told them that Japan would stand firm with the United States and the western world for their common safety in the future. The Japanese, he said, consider themselves as belonging to the free nations and cooperation with the United States is necessary for achieving peace throughout the world. It was his understanding that the purpose of these conversations is to establish friendly relations between the United States and Japan on a firm basis.

It is not enough to have treaties on paper in order to achieve the purpose of consolidating our relationships, but rather it is essential that there be a true partnership. In this sense, the Prime Minister looked to these conversations to achieve some of the understanding that would provide the necessary foundation for such a relationship.

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 889. Drafted by Martin and cleared by Robertson.

Prime Minister Kishi remarked that there were certain specific problems which he would like to raise but he thought it best to hear first Admiral Radford's remarks.

The Secretary suggested that, in order to ration time to the best advantage, after Admiral Radford's remarks the present meeting should continue until 11 o'clock, following which a more restricted session could be held to discuss certain matters.

Admiral Radford, directing his remarks to the Prime Minister and the members of the Japanese delegation, stated that he represented the United States Joint Chiefs of Staff, who by law are charged with the military planning for the security of the United States. They are also charged by law, he said, with advising the President, the National Security Council and the Secretary of Defense on military matters. In carrying out this responsibility, they have to be careful to avoid allowing extraneous factors to influence their judgment.

Admiral Radford then outlined the world military picture, showing the order of battle between the Soviet bloc and the free world side. On the free world side, a considerable force has been created. He gave the figures as of March 1, 1957.

As for deployment and strength of ground forces, the Soviets have 8,213,000 men and the Allies 6,538,000. These figures include organized police forces having military capability. Of the Soviet strength, 31 divisions are in the Vladivostok area and the remainder in western Russia and the eastern satellites. There are also 33 Communist divisions in north Korea. As for the allied strength opposed to this, there are two United States divisions in south Korea and 21 ROK divisions. In Japan there are six JSDF and USFJ divisions. Additionally, there are twelve United States and one Canadian division in North America.

With respect to naval forces the Communist bloc has 728 ships, including six major ships, 34 minor ships and 150 submarines in the Far East. The Soviet submarine force is based primarily in Siberian ports and is larger than the German submarine fleet at the outbreak of World War II. The total Russian submarine force is 450 boats and will soon exceed 500. It is the largest such force ever built.

As opposed to the Communist naval forces, the Allies have a considerable naval superiority and their superiority in the navel area is greater than on the ground or in the air. This fact stems from the geographical considerations, namely from the necessity to maintain communications with our allies. The Communist bloc is self-contained and does not require the same type of naval strength. Its main naval objective is to interfere with allied communications.

With respect to air forces, Admiral Radford stated that there is a rough balance at the present time in over-all operational categories. The Soviets are making great efforts to build up their bombing force, where they already have good modern types. Their units are concentrated in Siberia, Manchuria and China proper, constituting a powerful force in the Far East.

Turning to strategy Admiral Radford stated that in 1953, when the present American administration came in, the Joint Chiefs of Staff made a certain basic assumption, namely that they would not prepare for a year of crisis—a critical date. Rather, they would prepare for the long pull and build up deterrent strength so that the Soviet Union would understand the risk of committing aggression against the United States or its friends. The decision was made to modernize, to maintain and to protect our deterrent power. This power in the opinion of the Joint Chiefs of Staff has, since 1953, prevented the USSR from engaging in further aggression. Under this umbrella our friends have been given time to work out their problems with the USSR and their problems at home. In keeping this deterrent power, the United States has a continental defense system in the United States with advance lines in Canada and Greenland. But maintaining the essential deterrent power and the essential naval power is becoming increasingly expensive and it appeared necessary for our allies to bear more of the costs of maintaining local security.

Admiral Radford stated that there are several facts of life in the Far East which he wished to point out. There is the tremendous offensive and defensive power of the USSR. Communist China's power is growing along with its industrialization, which is being facilitated by any trade with the West. There is an armistice in Korea and it is necessary to maintain large ROK forces, the third largest military force in the free world. It is necessary to back up these ROK forces with substantial forces. It is also necessary to keep United States forces in Taiwan. Their existence, coupled with the presence of our naval units, has forced the Chinese Communists to disperse their own forces along a 3,000 to 4,000 mile coastline. In Indochina there is another split country and it is necessary to increase the strength of our local friends as we have done in Thailand and are trying to do in Laos and Cambodia. In the Philippines, we have helped generate forces capable of maintaining internal security and able, if necessary, of rendering some help in the SEATO area in the event of Communist aggression.

With respect to Japan itself, Admiral Radford stated that the United States in 1952 was willing to maintain forces in that country in the expectation that Japan would build up its own forces in due course. In Japan also the United States has had a logistic base for the support of Korean operations in case hostilities should resume. This logistic base in Japan also serves all United States army forces in the Far East.

Budgetary limitations in the United States have required the Joint Chiefs of Staff to conclude that the United States forces of one hundred thousand military personnel in Japan must be radically reduced.

However, it would be possible to maintain our responsibilities in Korea and elsewhere with much less than 50,000 men stationed in Japan. It is planned to withdraw all ground combat units in Japan. If it would serve the Japanese domestic political purpose the Joint Chiefs of Staff has concluded it could withdraw all forces from Japan. They must not look at the problem sentimentally but with the freedom which military men require. For this reason it is not possible to alter the strategic status of the Bonins and the Ryukyus. On the other hand, the Admiral said, the Joint Chiefs of Staff do not think Japan has built up its forces with the speed required or the speed that might have been possible. The reason for this may have been in part that Japanese military men are not accorded the prestige required for them to discharge their responsibilities. In the United States, civilians carry the principal responsibilities but they also lean heavily upon military men for advice. The Admiral thought that United States withdrawal might speed Japan's defense build-up. He was also of the opinion that the Japanese defense forces have reached maturity in the sense of knowing what is required for Japan's defense. The military people of the United States will not, therefore, comment further on Japan's defense goals unless specifically requested to do so.

On modern weapons, including missiles, the United States military have not given Japan the information necessary for them to proceed, but this has been because of lack of security legislation which would permit passing on this information under our own laws.

This concluded the remarks by Admiral Radford. The Secretary asked whether the Prime Minister desired to make any observations.

Prime Minister Kishi stated that Japan is gradually building up its defense forces and is going forward in response to the needs of the situation and in proportion to the national economic strength. Although he appreciated the remarks which Admiral Radford had made, he pointed out that it is Japan's policy to put greater emphasis upon quality than upon quantity. As the Secretary probably knew, the Japanese government had just adopted a plan to increase its defense forces by the end of Japanese Fiscal Year 1960. He agreed with Admiral Radford on the necessity of increasing the scientific study of advanced-type weapons and he realized that the lack of certain legislation was creating an obstacle, but it was his intention to see that the Diet passes such legislation before long.

The Secretary said he would like to supplement Admiral Radford's statement. The Joint Chiefs of Staff, he said, believe that the best results can be achieved by continued cooperation and with the continuing presence of some United States forces in Japan, particularly air and naval forces. But, as President Eisenhower said yesterday at his press conference, it is not our purpose in any part of the world where we have forces and bases to remain there in opposition to local desires.

We would hope that it is the desire of the Japanese people to continue the present cooperation. We have forces in the United Kingdom, France and Germany, and in those places, too, we can always accommodate ourselves to a local request that we retire, much as we would regret the appearance of such a sentiment. It is up to the Japanese Government to make the determination about the continued presence of American forces.

The Secretary stated he would like to point out that the effectiveness of our deterrent power depends upon there being a series of points around the Soviet-Chinese bloc from which points retaliatory attacks can be launched. By looking at the map it can be seen that it is not possible to maintain at all points on the 20,000-mile perimeter of the bloc forces sufficient to stop communist forces which could be directed at them at any time from the interior. Therefore, to restrain such attack it is necessary to depend, as Admiral Radford has said, upon retaliatory power, but to be effective this retaliatory power must be based on many places. If based only on one place, for example, the continental United States, it could be nullified with only one attack. Only if staging areas for retaliatory striking powers have diversified geographic locations, will they adequately serve the purposes of deterring attack.

We naturally hope, said the Secretary, that Japan will cooperate in this collective defense approach which is shared by most of the free countries located around the Soviet-Chinese bloc. By looking at the map you can see that it is indispensable for us to have such bases in the Far East. The problem of working the problem out so far as Japan is concerned is a matter we would wish to discuss on the basis of mutuality and common interest. He thought it might also be mentioned that countries such as the Federal Republic of Germany, the Philippines, Formosa and Korea are anxious that United States forces should be physically present to some extent because their presence provides a guarantee that the United States will automatically retaliate if those areas are attacked, since United States forces would have been attacked, too.

The Japanese Prime Minister agreed with the Secretary's view that Japan's security is closely related to the safety of all free countries. He would like to go beyond that and state his belief that in the Far East Japan's safety depends upon the security of the free countries in that area. Therefore, the peace and safety of the Far East and that of Japan itself require cooperation with the United States. He was in complete accord with the Secretary and thought that the subject required no further enlargement. He thought that on the whole there is understanding by the Japanese of American problems and vice versa, but on the question of defense the two nations are not in complete accord. He wished to say that defense to be effective must go beyond mere forms. It is a realm in which the wholehearted support of the people is required. We must establish in these discussions the foundations upon which the two nations can cooperate wholeheartedly in all areas of defense.

The Prime Minister surmised that the lack of a really stable government in Japan in the few years since the Peace Treaty has created some difficulty, but he is happy to say that now a new and better situation has been created. Progress has been made in the defense area and he hopes for more. As the Secretary pointed out, it was not desirable that United States forces be in any foreign country if it could be avoided. He hoped that the Americans would understand that the Japanese themselves are making all possible efforts to increase their own defense capability and that they will continue on this course.

Mr. Dulles said that he would like to add a word. Nations and peoples forget very quickly, and like to be lulled into a sense of security and safety. The Soviet Communist leaders generally talk constantly about peace, but the Secretary thought that we tend to forget that Communism basically believes in the use of violence and has used violence whenever it has thought it could do so successfully. In this connection it is helpful to look at a map to follow the Communist conquest by force. In the north there is Finland which was overcome in a war by the USSR. Below that Latvia, Lithuania and Estonia no longer appear on the map because they were overrun and extinguished. Poland was obliterated in 1939 by the joint Russian-German attack. East Germany, Hungary, Czechoslovakia and Rumania all are held at Soviet swordpoint. Recent events in Hungary show the dependence of the USSR upon armed force to maintain its conquests. Turkey and Iran have been threatened from time to time but unsuccessfully. Greece was subject to a communist insurrection in 1947. The Communists supported war in Indochina and brought about the defeat of France at Dien-Bien-Phu. There was a Huk rebellion in the Philippines supported by Communists from the outside. At the present time there is a growing military threat opposite Formosa and there is a suspended war in Korea. Tibet has been seized by force. The fact should be kept in mind that any nation which stood alone around the Communist orbit either has been endangered or has been seized by the Communists; most of them have been seized. Only if they benefitted from collective security have they been safe. Not a single nation which was party to collective security arrangement with the United States has been lost to the USSR or to Communist China. The collective security relationship coupled with the tremendous retaliatory power of the United States has given safety. But there is no doubt in the mind of our political and military leaders that if the collective security system should collapse, or if the USSR should gain the upper hand, the conquest of the rest of the world would be resumed by the USSR. That is an important fact that the peoples of the world would like to forget but which statesmen must remember.

Mr. Kishi said that he felt at one with Mr. Dulles regarding the world situation. In this situation the problem was how to make firmer the cooperation between the two countries. Some fundamental matters must be considered in this connection.

First, security and defense. Two years ago Mr. Kishi was here in Washington with Foreign Minister Shigemitsu when the latter told of Japan's tentative plan for its self-defense forces. Since then there have been a few developments. A law has been passed establishing a National Defense Council to consider long range plans. Recently the Council had set forth Japan's principles of defense and a long range plan which the government had adopted. There is nothing much new in the plan and he would not go into details as he thought they were known. But its main purpose, he said, is to make the necessary appropriations by 1960 for a 180,000 man ground defense force, 120,000 ton sea defense force and 1,300 plane defense force. He added that while the appropriations would be made by 1960 the actual construction, particularly by the navy and air force, might require another two years. The Prime Minister stated that Japan has been following the policy, as America knew, of gradually increasing its defense capabilities. The requirements for Japanese security can only be covered by a common Japanese-United States arrangement. This is necessary and is recognized by Japanese conservatives but it should be borne in mind that conditions are now different from what they were at the time of the Security Treaty. Japan is now able to share in its own defense. Japan has now been admitted to membership in the United Nations and is consequently in a collective security arrangement which it was not in at the time of the Security Treaty. So the time has come to review the security arrangements, not because they are unequal and must be equalized nor because they are one-sided and have to be neutralized but rather because of the need for creating wholehearted cooperation between the two peoples.

The second fundamental matter Mr. Kishi desired to touch upon was territorial problems. There is a strong national sentiment, he said, to ask for the return of such territories as have always been Japanese. In the north this embraces the Kuriles, especially Kunashiri and Etorofu, and in the south the Ryukyus and the Bonins. The Japanese recognize that security requirements not only of the United States but also of Japan and of the other free nations, involve the Ryukyus, and they recognize the necessity for military installations in the Ryukyus, but even so they do not quite agree that full administrative powers cannot be returned by the United States. The strong national feeling on this point is evident in the resolutions on the subject which have been passed by the Japanese Diet. Of course, the Japanese understand the need for strong military bases and they understand that there is some difficulty in reconciling military requirements with the transfer of civil administration, but Mr. Kishi wanted Mr. Dulles to understand the strong national feeling and to realize that the 800,000 people living on Okinawa are Japanese citizens. Moreover, somewhat more than 100,000 people of Okinawan origin were living in Japan. Thus United States administration in Okinawa was not just a matter affecting 800,000 Okinawans. All the people of Japan are concerned.

A second territorial problem concerns the land in Okinawa. If land is requisitioned for military purposes no other land can be found to be used in its place. The United States should handle this matter carefully, understanding Japan's sensitivities on the point.

The Bonins provide a third territorial problem, said Mr. Kishi. The same things can be said of the Bonins as of Okinawa but there is the additional problem of the return of some of the previous inhabitants. Some of the former inhabitants, numbering about 200, were allowed to return but these were of European extraction. This represented a discrimination in Japanese eyes.

Mr. Dulles stated that the United States recognizes the changes which have occurred since 1951 when the Peace and Security treaties were made in the spirit of friendship which still characterizes the relations of our governments. These matters should be subject to review in light of changing conditions, but the United States does not think that Japanese membership in the United Nations adequately takes care of its security needs or those of others. The drafters of the United Nations Charter, of which he himself was one, hoped that a collective security force could be maintained to deter aggression. Articles 43 and 44 were drawn up for this purpose but they became dead letters because of the Soviet refusal to implement them, a refusal demonstrated through the use of the veto. Therefore, those who desired to insure the application of the collective security principle had to proceed through Article 51 which was devised to overcome the anticipated Soviet veto of 43 and 44 action. Forty-six nations of the free world have in fact acted under Article 51. We also, of course, observe with satisfaction the increase of Japan's military power as contemplated by the Preamble to the Security Treaty—"Japan will itself increasingly assume responsibility for its own defense". We would hope, however, that Japan's efforts would become more serious because, when compared to the efforts of other free nations they are not so great. The United States devotes 11% of its gross national product to security measures; the United Kingdom, despite a serious financial situation, 10%; and most of the European NATO countries devote 8% to 9%. We calculate that Japan devotes about 2%. We recognize that Japan faces serious economic problems and we would not expect it to devote the same percentage as the United States does, but it is difficult in the United States and in our Congress to avoid the view that Japan is taking its defense responsibilities lightly. There is danger of a vacuum of power developing in a part of the world where Soviet-Chinese communism is strongly at work. This could lead to complications because we know that the industrial power of Germany in the West and Japan in the East are major objectives of the international communists.

Despite these observations, said the Secretary, he would like to express gratification for the statements which had been made by the Prime Minister. In our view certain steps could be taken within the context of the present Security Treaty to allow more scope to Japan in the conduct of its own self-defense. One of these, and most important, would be the substantial reduction of United States forces in Japan. Other steps were more technical in character.

With respect to territorial arrangements, stated the Secretary, we appreciate Japanese sentiments toward the related population in the Ryukyus and particularly Okinawa. The United States has no desire to assume administrative responsibilities not necessary for the military use of an area. It has no desire to exercise power just for the sake of power. This fact he thought was demonstrated by the voluntary relinquishment of administrative control by the United States of Amami Oshima in 1953. However, we do not see any possibility of relinquishing control in Okinawa because our responsibilities for the defense of Japan, ourselves and other free nations. The Secretary recalled that when he was negotiating the Peace Treaty the United States was under very substantial pressure from some countries to annex the Ryukyus. These countries wanted it to be certain for all time that the United States would have a bastion of strength in that part of the world as they regarded it necessary for their own security. The United States resisted that pressure and accepted a formulation which would involve the retention by Japan of residual sovereignty. But we cannot in justice to ourselves, and other countries dependent upon us, take steps which we consider would dilute the strength we consider necessary in the present situation. Of course if the international situation should change we would review our position. In any event, said the Secretary, we shall strive as the Prime Minister suggested to control our actions in the Ryukyus with care and concern for Japanese and Okinawan sensitivities.

The problem of the Bonin Islands is one involving a position of considerable strategic value and very little economic value and at present little administration, the Secretary pointed out. He asked the Prime Minister to consider whether we would really improve the relations of our two countries if the United States introduced into these

Islands people who would have a hard time earning a livelihood and whose presence would involve the same type of problems we now have in Okinawa.

The Secretary noted that the hour of eleven had been reached and he said he would defer to the Prime Minister's desires with respect to continuing the present meeting or transferring to his office for a smaller meeting.

The Prime Minister said that the Japanese side had now heard various opinions from the American side with respect to the Security Treaty. For these they were grateful. They were especially grateful that the United States was willing to study this matter if the international situation should change.

Mr. Dulles then asked the Prime Minister before the present meeting should break up to designate two persons from the Japanese side to work on the Communiqué Committee. The Prime Minister designated Chief Cabinet Secretary Ishida and Foreign Office American Bureau Chief, Chiba, who would work with a few assistants. The Secretary on his side appointed Assistant Secretary Berding and Mr. Parsons.

The Secretary then said we must consider what we would tell the press following the present meeting. There should be no leaks which the final communiqué would not justify. The Prime Minister thought it better not to mention substance, particularly his remarks on the necessity for security legislation, as this would be embarrassing to him. Mr. Ishida said we might tell the press that we had had a general discussion on matters of a political nature between the United States and Japan. The Secretary proposed and it was agreed that the press be informed that political and security problems had been discussed and views on these matters had been exchanged.

The meeting then adjourned.

187. Memorandum of a Conversation, Secretary Dulles' Office, Department of State, Washington, June 20, 1957, 11 a.m.[1]

KIV/MC-6a

SUBJECT

Conversation Between Prime Minister Kishi and Secretary Dulles

PARTICIPANTS

Prime Minister Kishi
Ambassador of Japan Asakai
Counselor of the Japanese Embassy Tanaka
Director, American Affairs Bureau, Foreign Ministry, Koh Chiba

The Secretary of State
Assistant Secretary Robertson
Ambassador MacArthur
Mr. Becker, L
Mr. Parsons, NA
J. Owen Zurhellen, Jr.

At 11:00, June 20, 1957, the Secretary asked the above participants to join him in his private office. The Secretary told the Prime Minister that if they were to accomplish what each hoped to have accomplished they would have to move swiftly and concretely. Time did not permit all the niceties of diplomatic usage, but the Secretary would tell the Prime Minister what could be done along the lines he desired. The Secretary inquired what were Mr. Kishi's desires regarding the Security Treaty.

Mr. Kishi replied that in view of what should be the governing sentiment of partnership between the two countries Japan thought that it should have the right of consultation concerning the disposition of United States forces in Japan. As a second point, some provision should be made to clarify the relationship of the Security Treaty and the UN Charter. Third, if possible, a clear date should be set for the expiration of the Treaty, to signify the extent of time the Treaty would be in force. These three points were made, Mr. Chiba said, not because Japan wanted to weaken the Treaty or, as Mr. Dulles had said, "dilute" the relationship between the United States and Japan, but because it was felt that these points would contribute to a greater understanding among the Japanese people of the fundamental friendship between the United States and Japan.

The Secretary stated that he thought he could agree in principle that there should be consultation respecting the disposition of United States forces, but that this would not apply in an emergency situation where there was not time for consultation. This problem, he said, might be greatly minimized by the reduction in our combat ground forces which we contemplate carrying out at once. He asked the Prime Minister at what time and in what form he would like to have an assurance regarding this reduction in forces.

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[1] Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Zurhellen and cleared by Robertson and MacArthur.

On the second point, the Secretary continued, he believed that we could make clear the relationship between the Security Treaty and the UN by, for example, making appropriate reports to the UN of any actions taken under the Treaty significant from the point of view of international peace and security. He did not think, however, that Article 4 of the Treaty could be altered to provide an expiration date. This would require submission to the United States Senate of an amendment to the Treaty, which would require a two-thirds vote of the Senate for passage. The Secretary thought that this would be difficult to obtain because we would be unable to explain in a way satisfactory to the Senate what the relationship would be between the United States and Japan in the event that the Treaty ceased to exist.

The Secretary stated that he gathered that the Prime Minister did not want, at this time, to suggest the replacement of the Security Treaty by another type of treaty. It would be preferable not to have to take any revision of the present Treaty to the Senate where the debate would not be helpful to Japanese-American relations and where the outcome would be doubtful. We could, the Secretary continued, of course reaffirm in the communiqué or in a letter the view of the United States Government that the Treaty was never designed to operate in perpetuity and that we hope that coming circumstances or other arrangements will permit its termination under Article 4.

The Secretary said that he understood that there had been criticism in Japan of Article 1 of the Security Treaty, under which the United States accepts the right to help, at the request of the Japanese Government, to put down internal riots due to the intervention of an outside power. This was to be done, the Secretary pointed out, only at the request of Japan, and he would have no objection to having it made clear publicly that such action would never be taken except at the express request of the Japanese Government.

The Prime Minister then stated that he had no thought whatever of seeking to abolish the Security Treaty in its basic sense. In the practical implementation of the Treaty, however, he felt, or in its form, the Japanese people believe that there is room for improvement. He would like to adjust the Treaty to the sentiments of the people. There was now a new situation, and he wondered whether a new, high-level committee could not be established to consider improvements in the implementation of the Treaty. Mr. Dulles had stated that it would be difficult to obtain Senate ratification, but the Prime Minister thought that it would be possible to solve the problems of consultation on the disposition of forces and reports to the UN with no actual change in the form of the Treaty.

The Secretary asked whether the Prime Minister felt disposed to respond to his question regarding making public the intent of the United States to reduce its forces in Japan. The Prime Minister should understand, he went on, that we are ready to announce now that we will wholly eliminate our ground forces from Japan within a year and that we will make substantial reductions in our other forces.

Mr. Kishi replied that he thought this announcement should be made in connection with his visit to the United States. He said that he would study the question of form and timing and reply on those points during the afternoon meeting.

The Secretary then said that he had something that he had wanted to say to the Prime Minister in the present small group. He assumed that Mr. Kishi's Government desired to continue its close and intimate relationship with the United States, that Mr. Kishi shared, broadly speaking, our estimate of the danger from Soviet and Chinese Communism, and that these present talks were not designed just to ease the United States out of Japan because Japan did not want us with them.

Mr. Kishi broke in with the exclamation, "Absolutely".

If that is so, the Secretary went on, then there is a large area in which we can work together and cooperate. But if, and I do not believe or hope that such is the case, it is the desire of the Japanese Government that we divorce ourselves from Japan, we will accommodate ourselves to that wish. There are alternative arrangements we can make in the Far East. Australia, for instance, had a mission here a few days ago asking that we develop Australia as an industrial base in place of Japan. I have believed throughout my association with Japan, the Secretary said, when I worked on the Peace Treaty and the Security Treaty, that there was a basis for friendly and close cooperation between our two countries. But I want to be sure that this is what the Japanese Government really wants because if not we will not impose ourselves on Japan.

Mr. Kishi replied that as he had said on many occasions his conservative party (i.e., the Liberal-Democratic Party) feels that Japan's future lies only in close cooperation with the United States. The Socialist Party, however, does not necessarily hold the same view, and if the Socialist Party came into power it is likely that this policy would be completely changed. The problem, therefore, is how the conservative party can be continued in power on a long term basis.

Can we understand, the Secretary asked, first that the Prime Minister will consider and let us know at our 3:00 p.m. meeting the form and time he desires for our public announcement of a precise statement on the reduction of our forces in Japan. We will include in the communiqué or in an exchange of letters, he continued, a statement that we will establish a joint group to study problems concerning the implementation of the Security Treaty and among other things the implementation of the principle of consultation wherever practicable by Japan and the United States regarding the disposition and employment of such United States forces as will remain in Japan.

Mr. Kishi answered that this would be fine.

The Secretary said that it should also be considered how to establish the maximum relationship with the UN through such reporting as might be appropriate.

Mr. Chiba asked whether this was also to be the responsibility of the proposed joint group. The Secretary answered that it could be either way the Prime Minister wanted, either handled by the joint group or included in the final communiqué. The Prime Minister said that he would consider this question and reply later.

The Secretary then asked whether, in the light of what he had said before, the Prime Minister desired some statement to be made about the expiration of the Security Treaty and the fact that we reaffirm that the Treaty was not meant to be in perpetuity, but for a transitory period.

Mr. Kishi said that his thought had been that the Treaty should be amended so as to have an initial period of validity for five years from the present, with each party to have the option of termination at one year's notice thereafter. However, he felt that if some expression that the Treaty was not intended to be perpetual could be made, that might serve to a certain extent the purpose he had in mind.

The Secretary said that he thought appropriate language could be found for that purpose. He continued that, regarding the question of Okinawa and the Ryukyus, it was very difficult to see how any significant statement could be made on either matter, but he would be prepared to study further whether a very limited number of former inhabitants of the Bonin Islands could be permitted to return there.

When Mr. Kishi asked about how many this number might be, the Secretary replied that he thought the maximum would be about two or three hundred, perhaps. The actual number of persons would have to be established with a view towards security requirements (and he mentioned that the islands were being used for military purposes more than is generally realized) and in line with the amount of land available. There was only little arable land, he pointed out, for farmers and only one port for fishermen.

The Secretary continued that he did not know whether the President would approve the idea even in principle, but it might be possible to make a survey of the islands which would lead to the reintroduction of a relatively small number of people. He wanted, however, to emphasize two things: one, that our ability to reduce to some extent the military use of land in Japan involves the more intensive use of the Bonins, and two, that if the objective of the Prime Minister was to get relations on a better long-term basis, in the Secretary's opinion the return of a few hundred persons to the Bonins might give the Prime Minister the impression of an immediate accomplishment but the problems which might grow out of this in the future would be even more difficult. The present 176 residents of the Bonins are essentially oriented towards the United States, and would like to become American citizens. If there were added in that meager territory even seven hundred persons more oriented toward Japan, it would cause difficulties and friction and future embarrassment to both countries. Perhaps the Prime Minister would consider this matter further.

The Secretary then asked whether Mr. Kishi would like to discuss the matter of war criminals then or later.

Mr. Kishi said that regarding Okinawa he had another request on the part of Japan, which had to do with the question of lump-sum payment for land requisitioned for military use. There have been proposals in Japan, he said, for an investigation by a committee composed of American Congressmen and Japanese Diet members which would result in a joint decision on this matter. He asked whether the United States could defer measures being taken to requisition further land in Okinawa pending such an investigation.

The Secretary replied that it was not practicable from our standpoint to turn this responsibility over to Congress. Our system differs from the parliamentary system, and under our Constitution the President conducts foreign affairs, is commander-in-chief of the armed forces, and cannot delegate those responsibilities to a Congressional Committee. The United States, he went on, is making a very close restudy of the land requirements in those area; he was not sure whether this would lead to any re-estimate of the requirements in Okinawa, but we were requesting the military to cut their requirements to the absolute minimum.

Mr. Kishi pointed out that there was no alternate land for the farmers in Okinawa when their land was requisitioned and asked whether the United States could assist in emigration of the affected persons to other countries.

The Secretary answered that this question was new to him, and he would not be able to reply at once. Ambassador MacArthur commented that the problem was to get the other countries to accept the immigrants. The Secretary jokingly remarked that he would like to see some of the Okinawans settle in New Guinea, but that the Australians would not have it. Mr. Robertson remarked that a colony of Okinawans had been moved to Bolivia last year, but that it had not worked out well.

Mr. Kishi inquired whether thought had been given to resettlement of Okinawans in the Trust Territory, or on Saipan or Tinian. The Secretary said that this question would be explored. He remarked, however, that the new jet aircraft are taking more space all the time in Okinawa and other places, and he did not know what could be done about the problem.

Mr. Kishi said that he was very desirous of meeting the anxiety of the Japanese people. He asked whether consideration could be given to permitting the flying of the Japanese flag in Okinawa.

The time had come for the Prime Minister's party to depart for the Capitol, however, and the meeting came to an end at 12:05 without this question having been answered.

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188. Memorandum of a Conversation, Secretary Dulles' Office, Department of State, Washington, June 20, 1957, 3 p.m.[1]

KIV/MC-7a

SUBJECT

Conversation between Prime Minister Kishi and the Secretary

PARTICIPANTS

Prime Minister Kishi
Chief Cabinet Secretary Ishida
Ambassador Asakai
Counselor, Japanese Embassy, Mr. Tanaka
Director, American Affairs Bureau, Japanese Foreign Office, Mr. Koh Chiba

The Secretary
Assistant Secretary Robertson
Ambassador MacArthur
Mr. Becker, L
Mr. Parsons, NA
J. Owen Zurhellen, Jr.

The Secretary opened the meeting by saying that he was prepared to discuss the question of war criminals unless the Prime Minister wished to refer back to any of the subjects discussed during the morning meeting.

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 889. Secret. Drafted by Zurhellen and cleared by Robertson.

The Prime Minister said that he would like to proceed to the matter of war criminals and then go back later to other subjects. He explained that Prime Minister Menzies of Australia had recently visited Japan and had announced that Australia agreed to the release of the war criminals being held at its direction; the United States therefore was the only country which still required the Japanese Government to confine war criminals on its behalf, of whom there are sixty-six. No doubt the United States has many reasons for this, but on the other hand more than ten years have now passed since the end of the war, and there is no information as to when these prisoners may be released. This is not to the advantage of either country. Moreover, the Prime Minister continued, those Class A war criminals who have been released are still under parole and their activities are therefore restricted.

The Secretary stated that consideration had been given to the latter category, Class A criminals who had been sentenced by the international courts, and the United States desired to do whatever seemed to be legally feasible. The question of pardon had been considered, but after a study of the history of the Peace Treaty it had been concluded that this was not practicable. Originally, he explained, the draft of what became Article 11 of the Treaty had contained a provision for pardon but this had been stricken out because of the opposition of some of the Allies. If the agreement of the majority of the members of the international tribunal can be obtained however, we think that the sentences can be reduced to the time already served, and thus the parole status will automatically terminate and the restrictions will be removed. This would, under the Peace Treaty, require a request by Japan and the concurrence of the majority of the countries represented on the tribunal. No public announcement could therefore be made at this time. If Japan so desires, however, the United States would informally inquire of the other nations represented on the tribunal whether they would accede to a formal recommendation from Japan for clemency, so that Japan might be spared any embarrassment in the event such concurrence could not be obtained.

Mr. Kishi said that he would be very grateful if this could be done, and the Secretary replied that we would act accordingly.

As to the 66 war criminals subject to American control, the Secretary continued, we are prepared to try to find a solution, but it should be said in advance that no public announcement would be practicable at this time because of the agitation over the Girard case. These 66 men, he said, have really very bad records and have been guilty of very grievous atrocities. It would be undesirable to take any public action which would revive memories which are recorded in the sentences of these men. As soon as the atmosphere has become somewhat calmer, however, the United States would be prepared to consider the formula which the Secretary said he would outline.

Under this formula, the United States would suggest that the Japanese Government establish a responsible, non-political board to review the cases, including the trial records; the United States would make the trial records available for this purpose. To the extent that this board, after examination of the cases, considered clemency appropriate and the Japanese Government recommended accordingly, the United States would be prepared generally to accept the recommendations. The United States would expect the board to exercise genuine and honest judgment in the light of all the facts and we would then follow the recommendations of the Japanese Government. We believe that this can be reconciled with the provisions of Article 11 of the Peace Treaty which gives the power to grant clemency to the Government which imposed the sentence, on the recommendation of Japan. This would mean that we would expect in general to follow the recommendation so made without any further independent investigation on our part, thus placing the responsibility fully on Japan.

The Prime Minister said that this would be a very satisfactory solution.

The Secretary cautioned the Prime Minister that this procedure could be put into effect only after the present situation had quieted down, and that it would not help either the United States or Japan to bring up the details of these cases at this time. When the time comes, however, if this formula is agreeable to Japan, we would proceed as rapidly as possible.

Mr. Kishi said that this would be a happy solution. He then went on to say that Japan had long hoped for the repatriation of the inhabitants of the Bonin Islands. He did not desire, however, to bargain with the Secretary over the question of numbers, and he fully appreciated the remarks which the Secretary had made about the possibility of long range friction and difficulties if even a limited repatriation was carried out. Nevertheless, the Prime Minister felt that in spite of these facts, it would be beneficial to both Japan and the United States if repatriation could be permitted for those persons whose families had resided in the islands for generations, and on whose behalf the Japanese Government felt that it could assume full responsibility.

However, he continued, if, regardless of this, the United States should still find it extremely difficult to permit even those persons to return, then he had to point out that the question arose of indemnification for those persons who were unable to return and who were having difficulty in maintaining their livelihood in Japan proper.

The Secretary interjected that the records which the United States has indicate that virtually all of the land in the Bonins was owned by the Japanese Government, and that the inhabitants did not have any property rights of their own. This question would be examined more closely, however, and a more precise reply would be made tomorrow or later.

Mr. Kishi pointed out that according to the Japanese Government's information, the inhabitants of the Bonins had owned a number of parcels of land of their own, however small, and that they also possessed fishing rights, which were considered property.

Lastly, said the Prime Minister, he desired to bring up the matter of the prohibition of nuclear tests. He was not, he maintained, acting on instigation by any communist sources, nor with any intent of aiding the communist side. The point was purely and simply a humanist one. The Japanese Government has made very stiff recommendations to the Soviet Government as well, asking them to end their nuclear tests. The Prime Minister would like the Secretary to understand that the Japanese are very serious about this matter and have presented their opinions to the UN Disarmament Committee not because they might expect communist support but because of their own intense feelings on the subject. He felt it most desirable, and it was his fervent hope, that under United States initiative some arrangement could be arrived at to prohibit all nuclear tests.

The Secretary said that he would like to take a few minutes to explain the philosophy which underlies the United States position. In the first place, we are fearful that too much concentration on the evils of atomic warfare may give the impression that war is permissible if only atomic weapons are not used. In the second place, as far as nuclear weapons are concerned, we seek cessation of testing under certain conditions. One condition is that any cessation or suspension of testing be adequately supervised. The Soviet Union has indicated that it is willing to accept supervision. I think, the Secretary said, the fact that the Soviet Union now accepts supervision represents justification of the unwillingness of the United States to consider suspension of these tests without agreement on supervision.

There is still a danger, he went on, that the Soviets might make elaborate preparations for carrying out tests in violation of their agreement on the theory that to do so would give them enough knowledge to get ahead of us. However, some risk in this field must be accepted, and we are prepared to take certain risks. But we also believe that in connection with any suspension of tests further measures are necessary to prevent the spread of nuclear weapons to other countries and to put an end to the build-up of such weapons by countries already possessing them. Therefore we seek an agreement that after some agreed date no further fissionable materials would be used by any nation for weapons. It will require time to establish the procedures for supervising the undertaking that no fissionable materials will be used for weapons. We are willing to accept the suspension of tests while this machinery is being established, which might be about one year.

This point we are now discussing, said the Secretary, is significant in connection with some confusion which resulted from the President's press conference yesterday.[2] The President was asked whether we would agree to suspend the tests without some time specified after which fissionable materials would not be used for weapons. The President answered no, said the Secretary, but indicated that we would be willing to suspend the tests before the actual date for the cutoff of the use of fissionable materials for weapons. This did not mean, however, that we would suspend testing without a firm agreement looking forward to the cutoff of fissionable material for weapons.

For instance, continued the Secretary, suppose that June, 1958 is set as the date for the suspension of tests. At that same time, we would begin to install the system to insure that fissionable material would not be used for weapons in the future. If it took one year to set up this supervisory system, then the cutoff date for the use of fissionable materials in weapons would be June, 1959.

We do not believe, the Secretary said, in the suspension of testing apart from a larger attack on the problem. We are convinced that if properly conducted the tests are not injurious to human health or genetics. The tests have accomplished some important things. They have shown us how to have clean weapons, and also how to have small tactical weapons so that it would not be necessary in all cases to use mass destruction weapons. If we merely suspended testing today it would mean that many countries would shortly be able to make very big and very dangerous weapons but unable, through testing, to make small and clean weapons. For instance, country X, which I will not name, does not now have atomic weapons. If that country is allowed to use fissionable materials for weapons but is not allowed to conduct tests or experiments, the only kind of weapons that country would be able to build would be the type most destructive of human life. Therefore, we wish not only to stop testing but to stop the use of fissionable materials which, if not tested, would be extremely destructive.

We are hopeful, the Secretary said, that we shall accomplish much more than was sought when the original proposals were made to stop testing on an unverified basis. We ask, however, that the Japanese not try to hurry us into an inadequate program, or create a public opinion that would be satisfied by an inadequate program. We can accomplish much more if there is understanding of the larger goal.

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[2] For the transcript of Eisenhower's news conference held June 19, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1957*, pp. 468–470.

The Secretary asked the Prime Minister to treat as confidential what he had said about the relationship between the suspension of testing and the cutoff of fissionable materials for weapons; this had not yet been explained to the American public or to our NATO allies except for the United Kingdom and France.

The Secretary then proposed that the group proceed to the larger meeting where others were waiting. Mr. Kishi remarked that he would like to use the 9:00 a.m. meeting the next morning with the Secretary to iron out any difficulties which might arise in agreeing on the final communiqué. The Secretary agreed, and said that as much agreement as possible should be obtained before he and the Prime Minister met with the President at 11:00 the next morning.

The meeting then adjourned.

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189. Memorandum of a Conversation Between Secretary of State Dulles and Prime Minister Kishi, Department of State, Washington, June 20, 1957, 4 p.m.[1]

KIV/MC–8a

SUBJECT

Economic Matters

[Here follows a list of participants (33). Secretaries Dulles, Humphrey, and Weeks led the United States side. Prime Minister Kishi's principal aides were Ambassador Asakai and Chief Cabinet Secretary Ishida.]

The Secretary opened the meeting and introduced his United States colleagues present.

He stated that the United States recognized the extreme seriousness of the economic problems which Japan faced. Japan, as a member of the Free World society, had to find means for her growing population to live. The Secretary had himself always considered that the chain of unfortunate events beginning in the 1930's had been largely the consequence of the economic difficulties that descended on the world at that time. It was important to avoid any repetition. He added that there were elements of nationalism and protectionism that had their influence, but the United States did hope in these meetings and beyond to find a way to help Japan through its economic difficulties.

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 889. Secret. Drafted by Clifford Matlock and cleared by Robertson.

The Prime Minister commented briefly on recent economic developments in Japan. He expressed appreciation of the extensive United States aid to Japan furnished since the end of the war. Japan had enjoyed a satisfactory economic development principally owing to the aid received from the United States. The purpose of his visit was to discuss ways and means of establishing greater understanding and greater cooperation between the two countries. He felt that increased understanding was necessary. If he spoke candidly, it was only in the hope that this would help toward the establishment of greater understanding.

The government of Japan had certain economic plans for the current year. It aimed at a steady rate of economic development. It foresaw an increase of 7.6% in production, an increase of 12.9% in exports and an increase of 15% in capital investment. These increases would be more or less in line with trends of recent years.

The Prime Minister said that until now production and prices had shown favorable trends but investment had increased more than had been expected. The result was that imports had greatly exceeded exports. The Government had since March been obliged to increase money rates in order to tighten import credit, and to restrain investment, with the object of arresting the deterioration of the balance of payments position and stabilizing the economy. The Prime Minister, however, added that he did not wish to create the impression that the economic position in Japan was generally bad. On the contrary he felt that it was on the whole healthy and sound notwithstanding the adverse balance of payments position which had recently developed.

The Prime Minister stressed that it was necessary to bear in mind, in considering Japan's position, both the balance of payments problem and the need to provide for increased population. Japan was under the necessity of increasing the volume of its foreign trade.

In pursuing the subject of Japan's economy, the Prime Minister turned to Japan's trade with the United States. He said that as the United States was the principal market for Japan, Japan had to concentrate its attention on matters arising in the United States market. With reference to Japan's exports to the United States, Japan was endeavoring to take into consideration the repercussions in the United States industries of imports from Japan. Japan was trying to arrive at methods for orderly marketing of its products in the United States and hoped it could expect greater consideration from the United States particularly with respect to movements in the United States toward restriction of trade with Japan. The Japanese knew that the United States was a free trade country. Other countries followed closely developments in the

United States. Any trade restrictive developments in the United States were therefore detrimentally influential in Japan's trade relations with other countries.

The Prime Minister hoped, with reference to the textile laws passed by the Legislatures of Alabama and South Carolina that the United States would see its way clear to correct the situation.

The Prime Minister indicated Japan's gratitude for the consideration the United States had given to Japan's raw material requirements, having special reference to the recently determined United States scrap export quotes.

The Prime Minister then addressed the subject of Japan's trade with Communist China. Japan, he said, regretted very much that agreement had not been reached in the China Committee deliberations. Trade with China was a matter of importance to Japan, which looked forward to a "reasonable increase" in such trade. But he wished to stress the importance which at the same time he placed upon cooperation among the countries participating in the China Committee.

The Prime Minister stated in order to clarify Japan's interest in trade with Communist China, that the Government of Japan had no intention of recognizing Communist China or of operating formal diplomatic relations with Communist China. But Japan had certain "historical and geographical connections" with China and it was imperative that Japan expand its trade and economic relations with Communist China.

Japan had been asking for abolition of the China differential trade controls and observed that events had pointed to the elimination of that differential.

The Prime Minister then commented upon his recent tour through Southeast Asia. He had observed on his tour that the standard of living was very low and that this led to political instability and to the existence of various social problems. It created a fertile ground for Communist infiltration. It was imperative that such Communist infiltration be prevented by the granting of assistance to Southeast Asian development. This would also be to the material advantage of Japan in the opening of new markets for Japanese exports, and in the provision of raw material sources. He said that the urgency of the problem was such that no time should be lost.

The Prime Minister said that it went almost without mention that to accomplish their economic development the Southeast Asian countries would have to find "capital and know-how". The questions presenting themselves were therefore those of financing and the provision of technical assistance for the development of Southeast Asian resources.

During the preceding few years Japan had been receiving aid from the United States to increase the level of productivity in Japan, aid in the form of special or "offshore" procurement, and aid in the form of loans and technical cooperation. This assistance from the United States had been of extreme value to Japan.

The Prime Minister hoped that in view of recent economic developments in Japan, as he had outlined them, including the deterioration in the Japanese balance of payments position, the United States could consider some further financial assistance to Japan in the form of loans.

The Prime Minister then adverted to the program for the introduction of youthful Japanese farm workers into United States farms for a short period. This program was valuable to Japan for the economic boost it gave the Japanese workers. But the program was also valuable in that it furthered understanding between the Japanese and American people.

The Secretary of State in response to the Prime Minister's observations addressed himself first to the question of the textile laws, which he said might be discriminatory. He observed that this legislation had been enacted before Japan had instituted voluntary restrictions on its textile exports to the United States. Since that time, efforts in the states to obtain similar legislation had consistently failed. The United States Government hoped to bring about repeal or de facto abandonment of the legislation now on the books. If these hopes should not eventuate, there could be action in the Supreme Court by the United States Government seeking invalidation of these laws as being in violation of the FCN Treaty.

However, the Secretary was bound to observe that the court processes in the United States sometimes produced unexpected results. For the time being, therefore, it seemed better to work along the practical lines which he had indicated.

On the subject of trade with Communist China, the Secretary said the United States had always recognized that Japan should properly have a considerable trade with Communist China, both as a source of raw materials and a market for Japanese goods. The principal United States concern was that trade with Communist China might be of a character which would produce a rapid build-up of Communist China's war potential. China's war industries at the present time were still in the infant industry stage and China was almost wholly dependent on the Soviet Union for military and war supplies. The danger in the area would be substantially increased if China were to have an independent source of war supplies.

The United States had the principal burden of military defense in the Far East at the present time and felt that its views on the subject of trade with Communist China should have been given more weight than they had been given in the recent Paris deliberations of the China Committee on trade controls. However, the action had been taken by the United Kingdom and some other countries to abolish the "differential". The United States realized that it would be difficult for a country like Japan to accept restrictions on its exports that were not accepted by other trading countries. The United States hoped, however, that Japan would help insure that the quotas established under the List II procedure would be small. The Secretary added that the United States stressed the importances of such articles as machine tools and electronic equipment. The United States felt quite confident that large quotas in such items would substantially increase China's war potential without significantly increasing the total volume of trade with Communist China. The Secretary explained that the United States thought that the total volume of trade would not increase, as measured by its value, because the amount of foreign exchange available to Communist China was not large, and it was evident that the Chinese Communist authorities would employ the limited amount of exchange they could generate by purchasing, so far as possible, articles of high strategic importance if the List II quotas should be increased. In that event, he thought Japan's trade with Communist China in less strategic items would suffer. However, if Japan held down its exports of List II articles to Communist China, it would not hurt Japan in total trade but would on the contrary be offset by compensating sales of less strategic items.

Mr. Dillon, Deputy Under Secretary of State for Economic Affairs, spoke on the subject of Southeast Asian economic development. He said the United States agreed with the Japanese view of the necessity of promoting such economic development. In the new United States proposal this year for MSP legislation, the United States Administration had asked the Congress for the approval of funds to be available for the purpose of economic development. In the subsequent two years it was hoped that such funds would again be increased.

Mr. Dillon then turned to the question of Japanese temporary agricultural labor in the United States. He observed that in the preceding year the United States had approved requests by American employers for permission to employ temporarily 1,000 Japanese farm youths in this country. The United States believed that such a program when properly conceived was very beneficial. In principle, the United States was in favor of it. But there had been considerable concern in the United States as to the impact of the Japanese and other such programs on labor standards in the United States. The Department of Labor had also expressed concern about the possibility of exploitation of such labor groups.

Because of these concerns, the United States was now in the midst of a restudy of the Japanese agricultural labor program in order to determine whether it would be appropriate to expand it. As the study was still in progress, it was not possible for the United States to speak further on the subject at that time.

The Prime Minister said that he was happy to know that the matter was under study in the United States Government. He would like to extend his previous remarks by drawing attention to the very beneficial effect the program was having on United States-Japanese relations. Further, it was well to bear in mind that the Japanese farm youths involved wrote letters home to their families and friends in Japan and that this had aroused greater Japanese interest in life in the United States. The very fact that Japanese boys were accepted on American farms made the villagers in Japan feel closer to similar communities in the United States. He repeated that the program was very beneficial to Japanese relations with the United States.

The Secretary of Commerce, reverting to the subject of the State textile laws, confirmed the remarks of the Secretary of State. The United States had made and would continue to make every effort to remedy the situation. He said the Japanese in fact need not be too much concerned because the laws in question were "dead letter" laws and had "little or no practical effect" in view of their nonenforcement. In view of the fact that efforts to pass similar legislation in other States had failed, the Japanese would realize that the United States had successfully blocked any effort to expand this type of legislation.

Mr. Waugh, of the Export-Import Bank, spoke on the subject of loans. He referred to the known record of the Bank's loans for the purchase of raw cotton. The annual loans had run between $50 and $60 million each on cotton. He remarked in passing that all of the loans had been paid on or before they had fallen due. He said that the Bank had before it applications for loans for electrical companies and various utilities. During the past year the Bank had extended four credits for $38 million and two credits, for Japanese airlines, amounting to $24 million. He said that the Bank had applications in the amount of $97 million on hand for long-term loans. These involved the electrical and steel industries. The problem had a short-term and a long-term aspect. The Bank was then discussing the immediate short-term problem. It was considering an increase of the cotton loan from $60 to $80 million. He said that he was authorized by his Board to advise the Prime Minister that this application would be "looked upon favorably".

The Bank was also considering applications for further agricultural loans which would be discussed the next day with the advisers of the Prime Minister. Mr. Waugh asked the Prime Minister whether he agreed, from the point of view of Japan, that it was preferable for the

Bank to consider first the short-term problem or whether the Bank should give more immediate consideration to the long-term. He remarked that the total outstanding loans amounted to $124 million of which 1/2 was for cotton.

The Prime Minister indicated that he would like an early decision on the short-term projects.

Mr. Waugh replied that the Bank would be ready to give a decision before the Prime Minister's departure.[2]

The Prime Minister turned to the question of Japanese vested properties in the United States. He understood that these were valued at "some $100 million". He understood that proposed legislation was before the Congress which would make possible "some return" of these properties.

The Secretary of State said that he was aware of the proposed legislation and that he understood the matter would be very complicated. He understood that a fairly large sum in the United States war claims against Japan had been paid out of funds realized from German vested assets. He would take careful note of the Prime Minister's observations and the United States would bear them in mind in working on this legislation.

The Prime Minister said that he was happy to hear from Mr. Dillon that the United States Administration was requesting Congressional authorization of funds which might be applied in Southeast Asian economic development. He had recently made a tour of Southeast Asia in the course of which he had placed certain ideas before his opposites in that area. He had sounded out these Prime Ministers on the idea of an Asian development fund. He realized that the idea was still very rough and would need further development. He had given his suggestions on the subject to Ambassador MacArthur and hoped that the United States would study them carefully.

The Secretary of State said that the United States attached great importance to Southeast Asian economic development. It saw an opportunity there for Japan to develop export markets as well as sources of raw material. He observed, however, that to evolve the concept into reality was a difficult and complicated affair. Nevertheless, the United States believed the concept was basically sound and that it should be pursued. The United States would study with "sympathy as to its purpose" the proposal to which the Prime Minister had referred.

The meeting adjourned at 5:30 p.m.

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[2] Documentation regarding decisions taken on this subject before Kishi's departure has not been found. For a summary of the status of Japan's subsequent relations with the Bank, see Document 208.

190. Memorandum of a Conversation Between the Chairman of the Joint Chiefs of Staff (Radford) and the Ambassador to Japan (MacArthur), Department of State, Washington, June 21, 1957, 8:30 a.m.[1]

SUBJECT

Reduction of United States Forces in Japan During the next Twelve Months

Pursuant to the Secretary's instructions, I talked with Admiral Radford this morning before the Secretary's meeting with Prime Minister Kishi. I explained to Admiral Radford that the Secretary would be meeting with Mr. Kishi at 9 a.m. and that we anticipated that Mr. Kishi might inquire what the over-all extent of our reduction in forces would be for the next twelve months. The Secretary wanted Admiral Radford's advice as to what reply should be made in the event Mr. Kishi asked this question.

Admiral Radford replied that we could inform Mr. Kishi that we would in the next twelve months reduce our existing force levels in Japan by at least fifty per cent and that this figure would include the withdrawal of all ground combat forces.

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 889. Confidential. Drafted by MacArthur.

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191. Memorandum of a Conversation, Secretary Dulles' Office, Department of State, Washington, June 21, 1957, 9 a.m.[1]

KIV/MC-10a

SUBJECT

Approval of Joint Communiqué on Kishi Visit

PARTICIPANTS

Prime Minister Kishi
Chief Cabinet Secretary Ishida
Japanese Ambassador Asakai
Director, American Affairs Bureau, Foreign Ministry, Koh Chiba
Counselor of Japanese Embassy Tanaka

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 889. Secret. Drafted by Zurhellen and cleared by Robertson.

Secretary of State
Assistant Secretary Robertson
Assistant Secretary Berding
Ambassador MacArthur
Deputy Assistant Secretary of Defense Irwin
J. Owen Zurhellen, Jr.
Mr. Becker, L
Mr. Parsons, NA

Mr. Kishi began the discussion by saying that he wanted to examine the contents of the draft joint communiqué[2] this morning because there were a number of minor questions requiring editing and a few suggestions of a major nature. He said that he would like to have the communiqué considered as a whole, rather than as a communiqué plus an annex. He wanted to revise the order somewhat and divide the communiqué into two parts, incorporating matters of United States-Japanese cooperation in the first part and matters of defense in the second part. If agreeable to the Secretary, he would like to re-edit some of the defense parts in order to meet more fully our ideas. He wondered whether the Secretary would agree to this.

The Secretary replied that he had no objection to the idea in principle, and it would certainly be useful. It would be necessary to translate that principle into a draft as rapidly as possible, however, and he hoped the group could have it in final form by the time they called on the President at 11 a.m. He asked whether the Prime Minister felt that his thoughts could be put into words by 11 a.m. The Prime Minister said that he thought that this was feasible, and he would proceed to explain certain details. He thought that the first two paragraphs of the draft should be considered the introduction. Part 1 of the communiqué should begin with the 3d paragraph, and the previous annex should be put into the text thereafter. The Prime Minister said that he thought that the principles contained in the annex were of some importance and should appear at an early stage in the document.

A number of minor changes in wording were then suggested and incorporated in the draft.

The Prime Minister then inquired whether it would be possible to dispense with the words, "concerning the implementation" in the sentence which read, "It was agreed to establish an intergovernmental committee to study basic problems concerning the implementation of the Security Treaty and to consult, wherever practicable, regarding the dispositiion and employment of United States forces in Japan." The Secretary replied that he thought the sentence would not be very good in that form.

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[2] Not found in Department of State files.

The Prime Minister said, however, that he would like to point out that in the Japanese translation the included words would appear to limit the function of the committee. He preferred to give the impression to the Japanese public that this would be a high-level committee to discuss basic matters.

The Secretary said he would like to exchange ideas a little further regarding the functions of this committee so that there would be no future misunderstandings.

Yesterday, the Prime Minister continued, Mr. Dulles had said that it would be difficult to change the Security Treaty because that would require Senate concurrence. He understood and appreciated that fact. He had no intent of using this terminology to permit Japan to bring up problems beyond those intended for the committee. His real purpose was simply to avoid giving the impression that this committee would have very limited authority and responsibility.

The Secretary replied that yesterday it had been considered that the joint committee would handle two matters, consultation on the disposition and employment of United States forces in Japan and making reports to the United Nations. He thought that the language would be better if it read, "study problems arising in relation to the Security Treaty."

Mr. Kishi said that he would be quite happy with that, and the draft was so amended. The Secretary then proposed that that part of the same sentence reading, "and to consult, whenever practicable, regarding the disposition and employment of United States forces in Japan" be changed to show, "including consultation" instead of "and to consult." What we are discussing, he said, is whether this language would require consultation if the United States decided to send its forces from Japan to Korea, Taiwan, Guam, etc. He was sure that this was not intended, but he wanted to make sure the language was right.

The Prime Minister replied that this problem was taken care of by the words, "whenever practicable," since on such occasions the United States might not find it practicable to consult.

The Secretary said that he did not know whether he objected to this, but he had thought that the matter of consultation concerned the disposition and employment of forces in Japan and that it would not be necessary in the case of forces being taken out. We want to reduce our forces, he said, and have no particular objection to consultation regarding that.

Ambassador Asakai interjected that wording was not meant to cover such a withdrawal. The Secretary noted, however, that as the draft was written, it would require consultation whenever any forces were taken out of Japan. He had thought that by consultation the Prime Minister had wanted to control the shifting of forces within Japan. In the Security Treaty the United States was given the right to move its forces about almost anywhere in Japan. Now we would agree not to exercise that right except after consultation. If the Prime Minister were to bring up the question of consultation on withdrawal of forces from Japan, that would be a new question. The Secretary then proposed that the sentence in question be further amended to read, "regarding the disposition and employment in Japan by the United States of its forces." This amendment was accepted.

The Prime Minister said that the most troublesome thing in Japan in connection with the Security Treaty was the fear that Japan could be gotten into a state of war involuntarily or without its knowledge in the event that the United States took action somewhere without the Japanese Government having known about it. This criticism is often heard in Tokyo and that was his reason for discussing this matter. He thought that Mr. Dulles' wording was all right, but he wanted him to understand the uneasy feeling in Japan. If he could feel assured that in a major crisis the United States would inform Japan or give Japan an opportunity to consult, he felt that he could go along. He wondered whether this could be tacitly understood.

The Secretary said, "Let me say that the United States feels that in the event of any critical development in the Japan area which involved the prospect of war we would want to maintain very close relations with your Government. Obviously the successful prosecution of any war in that area would call for, if possible, the good will and support of the people and Government of Japan and we would not want in any way to act, unless it was imperative, in any way that was abrupt or lacking in the normal courtesy between friendly governments."[3]

The Prime Minister said that he was very happy to have the Secretary's thoughts and the wording was quite agreeable.

The Secretary handed the Prime Minister a draft paragraph which began: "The United States welcomed information on Japan's firm plans for the buildup of her defense forces." Ambassador Asakai said that to use this wording would result in the Prime Minister being questioned in the Diet as to why he had given information or explained to the United States something that seemed solely of concern to Japan.

Ambassador MacArthur asked whether this could not be interpreted as the Japan Defense Council plan. Ambassador Asakai explained that this plan had not yet been given to the Diet. It was then proposed that the sentence be changed to read: "The United States welcomed Japan's plans for the buildup of her defense forces" and this wording was accepted.

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[3] See footnote 3, Document 193.

The Prime Minister then said he would like to discuss the paragraph on strategic trade controls. He asked whether the following wording would be acceptable: "The Prime Minister, while recognizing the importance of exercising control in cooperation with other free world governments on exports of strategic materials to those countries threatening the independence of free nations through the extension of international Communism, pointed out the necessity for Japan to expand its trade with its neighboring countries. The President, while stressing the continuing need to exercise such control, recognized that Japan must trade to live."

The Secretary said that he did not like this very much. He could not see the need for stressing the expansion of trade with neighboring countries. The draft later on goes on to say that Japan would seek a high level of trade with the United States which is not a neighbor. There could hardly be a greater need for Japan to expand her trade with her neighbors than with the United States. This paragraph, the Secretary continued, was not designed to cover the general problem of trade, but what was a portion of the military problem. Trade was to be covered in a later paragraph.

The Prime Minister asked if it would improve the matter to leave the President's statement in its original form.

The Secretary asked why there had to be such emphasis on neighboring countries. Ambassador Asakai replied that they meant Red China, but had wanted to avoid that expression.

The Secretary asked why it was important to expand trade with Communist China. Was there some miraculous virtue to be obtained in that way? Of course, the Prime Minister was free to say anything he wanted to, but if the United States accepted his statement in a joint communiqué it would look as if the United States were withdrawing its opposition to trade with Red China, which was using that trade to build a war potential against the United States. The United States tolerates that trade, but opposes it as evil. We could not put the Japanese draft in the communiqué.

The Secretary then asked whether the whole paragraph ought not to be omitted. The Prime Minister inquired whether they should leave out the references to neighboring countries.

It was then agreed to leave the first sentence of this paragraph which contained the statement of the President unchanged and to replace the second sentence, the Prime Minister's statement, with the following sentence: "The Prime Minister, while agreeing with the need for such control in cooperation with other free world governments, pointed out the necessity for Japan to increase its trade."

The Secretary then said that he did not see the need for the word "ultimate" in the phrase "residual and ultimate sovereignty" as applied to the Ryukyu and the Bonin Islands. He said that he was not sure what was meant by this word and that in the discussions leading up to the peace treaty the word "residual" had always been used. At San Francisco former Prime Minister Yoshida had welcomed the Secretary's statement on residual sovereignty, and the Secretary preferred to keep that language.

The Prime Minister said that he understood that the Secretary, himself, had used the word "ultimate" at a press conference[4] and that the Japanese had considered this a considerable improvement from their standpoint over the word "residual." They were not sure as to exactly what "residual" meant, but they believed that "ultimate" meant that they would get the islands back some day. They had been happy at that statement and thought that there would be no objection to using both words. If one word had to be left out, however, they would prefer to keep "ultimate" in the text.

That showed how dangerous press conferences were, the Secretary replied. Words used at informal press conferences did not have the same nicety and legally binding effect as words carefully chosen in speeches designed to portray concepts. There was no great difference, but no thought that no bilateral change should be made in a subject which concerned not only ourselves, but the other parties to the peace treaty. Several of the allied governments had wanted to have Japan renounce all claim to the Ryukyu and Bonin Islands. The United States, however, had felt it best to have Japan retain residual sovereignty, with the United States as the administering authority. These words have a certain history. The formula used in the peace treaty was a compromise not only with Japan, but with the other allied nations, and such a formal understanding could not be changed on the basis of a press conference.

Mr. Kishi said that he did not want to argue the question of legal authority, but wanted to point out that the word "residual" was not quite clear and did not include the idea that the islands would eventually revert to Japan. When the Japanese had heard the word "ultimate" used they had obtained a feeling that a new possibility had opened. He would be surely disappointed if he had to tell the people that the words were just the same.

The Secretary said that he thought it was clear from the phrase, "so long as the conditions of threat and tension exist in the Far East the United States will find it necessary to continue to exercise its present powers and rights," that we do not consider that our authority in these islands is in perpetuity. On the other hand, in a formal statement, the President and the Prime Minister could not properly seem to change a formulation agreed upon by almost 50 nations and to which certain nations such as Australia, New Zealand and the Philippines attach great importance. It would not be right to use lesser language in an informal attempt to make a bilateral change in a multilateral undertaking. The United States could not do this in a formal document.

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[4] Reference is to the Secretary's response to a question at a news conference held April 23, when he said: "Now, as you know, we have never ourselves sought to acquire the ultimate sovereignty of those islands. That remains with Japan, and we do not look upon this arrangement as a permanent arrangement. We do believe, and I think the Japanese would agree, that nothing should be done there which would so weaken the defensive posture of the free countries as would encourage an aggressive move on the part of the Communists." (Department of State *Bulletin*, May 13, 1957, p. 766)

The meeting then adjourned at 11:25 so that the Secretary and the Prime Minister could call upon the President at the White House.

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192. Memorandum of a Conversation, White House, Washington, June 21, 1957, 11:35 a.m.[1]

KIV/MC-11

SUBJECT

Final Communiqué for Kishi Visit

PARTICIPANTS

The Prime Minister of Japan
Japanese Ambassador Asakai
Member of the Diet, Takizo Matsumoto

The President
The Secretary of State
Assistant Secretary Robertson
Assistant Secretary Berding
Ambassador MacArthur
Brig. Gen. A. J. Goodpaster
J. Owen Zurhellen, Jr.

The Prime Minister called on the President at 11:35 a.m. The President complimented the Prime Minister on his speeches before the houses of Congress the day before. The President had had breakfast with 40 members of Congress, and they had unanimously expressed admiration for Mr. Kishi's presentation.

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[1] Source: Eisenhower Library, Whitman File, International Series. Secret. Drafted by Zurhellen. Another copy of this memorandum is in Department of State, Conference Files: Lot 62 D 181, CF 889.

The Prime Minister told the President that he had had lengthy conversations with the Secretary of State, that things had gone smoothly, and that they were about to make final the joint communiqué to be issued between himself and the President.

The President remarked that he would proceed as rapidly as possible, because he understood that the Prime Minister had to make a speech at 12:15.[2]

The Secretary then gave the President the draft communiqué, pointing out that the first part had been agreed to by himself and the Prime Minister, but that the second part was still under discussion. After the President had read through the draft, the Secretary explained that they were at that point considering whether to use the word "residual" or the word "ultimate" in referring to Japan's sovereignty over the Ryukyu and the Bonin Islands. The Secretary pointed out that at the time of the conclusion of the Peace Treaty with Japan he had stated, on behalf of the United States, that Japan had residual sovereignty. Later on, at a press conference, the Secretary had used the word "ultimate" in the same context, and the Japanese would now like to see that word used in the communiqué. The term "residual," however, had been agreed to by a number of Allied countries, and he thought that we should stick to that word and not try to change bilaterally, in a statement issued by the President and the Prime Minister, what had been multilaterally agreed upon.

The President asked what the difference was between the two terms.

The Secretary replied that he did not know, but that if the Japanese found a difference, then it was important not to change the concept by the use of the different word; but that if the Japanese found no difference, then they would have no reason for wanting to use "ultimate" rather than "residual."

Ambassador Asakai explained that to the Japanese the word "ultimate" contained the idea that the islands would one day revert to Japan.

The President said that was what he understood by "residual," that the United States would exercise its rights for a period, and that the sovereignty would then return to Japan.

He was glad, the President continued, that the paragraph had been put in about the prompt withdrawal of United States ground combat forces. He was definitely in favor of that.

The Secretary then said that the truly important matter before them was not the question of the text of the communiqué, but the purport of what was happening. He thought that this visit and communiqué marked a major change in the relations between the United

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[2] At the National Press Club; text is *ibid.*

States and Japan. There would be immediate withdrawal of our ground combat forces, and the establishment of a new inter-governmental committee to consider the operation of the Security Treaty. Up until now the Treaty had been unilateral, but the establishment of the committee would go a long way towards it becoming bilateral in its practical applications in spite of the difficulty of formal amendment.

In these respects, the Secretary continued, our relationship is in the process of transformation and this is one of the most significant visits of foreign heads of government. This is being done deliberately, and with our eyes open. You (the President), I, we all believe that the important thing is to develop a relationship of real mutuality and real cooperation and our best chance to do that is under the leadership of the present Prime Minister. Fortunately at this period there is a Prime Minister in whom we can have confidence and who has a genuine dedication to the principles of the free world. As he had said to the Prime Minister at dinner the night before, we were going as far as we could to meet his legitimate demands. Some of his demands could not be met, but this was not because we did not trust him, but because our own legislation and our public opinion made it undesirable to move too far too fast.

We are making a big bet on this gentleman, the Secretary said to the President about Mr. Kishi, but it is a justifiable bet in the interest of our future relations.

The President said that he would like to make another point. I assure you, he told the Prime Minister, that your visit is the beginning of a constructive period. The Congressmen this morning were unanimous in their praise of you. Now that you have achieved this personal trust we can move constructively.

The Secretary then said that he had pointed out to the Prime Minister, in connection with the Bonin Islands, that security factors and the inability of the islands to sustain many people meant that at most a small number, perhaps 100 or 150, could be permitted to return. This was as big a permanent population as the islands had ever had, he said, since the other former inhabitants had been brought to the islands before the war for military purposes. It might be better if we could find some way to indemnify the former inhabitants. This was also the position of our Department of Defense. The question would be the amounts to be given and the source of the funds.

The President said that he would study this matter sympathetically.

The President told Mr. Kishi that he was very happy to have had this visit and that he thought it had been very useful. Mr. Kishi agreed that the discussions had been tremendously important and he expressed his deep appreciation to the President.

The meeting then adjourned, it being 12:00 noon.

193. Memorandum of a Conversation, Secretary Dulles' Office, Department of State, Washington, June 21, 1957, 2:15 p.m.[1]

KIV/MC–12a

SUBJECT

Joint Communiqué on Kishi Visit

PARTICIPANTS

Prime Minister Kishi
Chief Cabinet Secretary Ishida
Ambassador Asakai
Director, American Affairs Bureau, Foreign Ministry, Koh Chiba
Counselor of Embassy Tanaka

Secretary of State
Assistant Secretary Robertson
Assistant Secretary Berding
Ambassador MacArthur
Mr. Becker, L
Mr. Parsons, NA
Deputy Assistant Secretary of Defense John Irwin
J. Owen Zurhellen, Jr.

The group met to continue consideration of the draft joint communiqué. Mr. Kishi opened the meeting by proposing that the words "and ultimate" be deleted from the phrase "residual and ultimate sovereignty." He also asked that the phrase referring to the Ryukyu and Bonin Islands, "The United States will find it necessary to continue to exercise its present powers and rights" be changed to read, "The United States will find it necessary to maintain its present position."

The Secretary suggested that this latter phrase be changed to "continue the present status." Ambassador Asakai replied that that would do.

The Secretary then asked that the next sentence reading, "The United States will take measures to improve the welfare and well-being of the inhabitants of the Islands and to promote their economic and cultural advancement" be changed to read, "The United States will continue its policy of improving the welfare and well-being of the inhabitants of the Islands and of promoting their economic and cultural advancement."

The Prime Minister then said he would like to suggest the following sentence regarding the Bonin Islands:

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[1] Source: Department of State, Conference Files: Lot 62 D 181, CF 889. Secret. Drafted by Zurhellen and cleared by Robertson.

"The President expressed his readiness to give further sympathetic study to the possibility of the return to the Bonin Islands of a limited number of those Islanders who are now residing in the home islands of Japan."

The Secretary replied that he did not think that this would do. The Prime Minister said that he would not insist on this appearing in the communiqué, but he wondered whether he could understand that the United States would be willing to carry out this study in view of the previous day's discussion.

As he had indicated, the Secretary said, as far as a return to the Islands was concerned this could not be done for more than a very few people. This would cause more trouble than would be worthwhile. The Prime Minister had suggested indemnification in lieu of this and the Secretary had said that he would explore this matter and communicate further with the Prime Minister regarding both possibilities.

Mr. Kishi then requested that persons be allowed to travel back and forth between the main islands of Japan and the Bonins for the purpose of visiting their family graves in the Islands. The Secretary said that this would be included in the study.

The phrase "special restrictions in certain states" was then changed to read, "local restrictions" in connection with legislation discriminatory against Japanese products. The phrase "early cessation of both the manufacture and testing of nuclear weapons" was changed to read, "the early cessation of both the testing and manufacture of nuclear weapons."

The Prime Minister asked whether some reference might be made in the communiqué to the fact that he had presented his ideas on economic assistance to Southeast Asia. Ambassador MacArthur pointed out that the paper on this subject[2] had been received only the night before from the Japanese and there had not been time to make a study. At the Secretary's proposal, however, the sentence, "The views of the Prime Minister will be studied by the United States" was added to this section of the communiqué.

The Secretary then said he would like to strengthen the reference to the threat of Communism by changing, "The objectives of international Communism remain unchanged" to "international Communism remains a grave threat," Ambassador Asakai asked that this be changed to "major threat," and this amendment was agreed upon.

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[2] Reference is to a Japanese memorandum handed MacArthur by Chiba; for text, see vol. XXI, p. 356. (Attached to covering memorandum by MacArthur dated June 20; Department of State, Central Files, 890.00/6–2057)

The Secretary then asked whether it was quite clear that the proposed intergovernmental committee was not to deal with war plans, strategy, etc., but with the political aspects of security arrangements. The Prime Minister replied that this was his understanding.

The Secretary then asked that the phrase, "intergovernmental committee to study basic problems concerning the implementation of the Security Treaty and to consult, whenever practicable, regarding the disposition and employment in Japan by the United States of its forces" be further changed to read, "intergovernmental committee to study problems arising in relation to the Security Treaty including consultation, whenever practicable, regarding the disposition and employment in Japan by the United States of its forces." This proposal was also adopted.

The Prime Minister then said that he had been happy to hear that morning the Secretary's statement that Japan need have no reason to fear that the United States would embark upon any project as a result of which the Japanese might find themselves unexpectedly in a state of war; that in the very remote eventuality of such a situation, that eventually itself would mean that it was in the United States interest to maintain close contact with Japan and that, therefore, the United States would expect cooperation from Japan and Japan did not need to fear that close contact would not be maintained. Now, continued the Prime Minister, it would be desirable for me if I could understand that I might, when I see fit, say that Mr. Dulles had made such a statement.

The Secretary said that he saw no reason why that could not be done. He would look over the transcript of the meeting and after verifying its accuracy would give a quotation to the Prime Minister to use as he saw fit.[3]

The Secretary said that if the question were asked it might be stated that the intergovernmental committee would be set up in Tokyo and that the American members would be our Ambassador and the senior American military commander. After reflection, however, the Secretary withdrew this latter statement and said that it might be better to answer that the committee would be set up in Tokyo but that there had been no decision as to its membership.

The meeting then adjourned at 3:15 p.m.[4]

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[3] Under a covering letter to Kishi dated June 21, Dulles enclosed a brief transcript. The transcript is identical in wording to the Secretary's statement on the subject, marked off by direct quotes, contained in Document 191.

In his covering letter, Dulles wrote, "I have no objection to your making public use of this statement if you feel this useful." (Department of State, Conference Files: Lot 62 D 181, CF 889)

[4] For text of the joint communiqué issued at Washington on June 21 by the President and the Prime Minister, see Department of State *Bulletin*, July 8, 1957, p. 51. During his news conference held June 25, Dulles responded to several questions pertain-

Continued

194. Letter From the Assistant Secretary of Defense for International Security Affairs (Sprague) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, June 21, 1957.

DEAR WALTER: I apologize for the delay in answering your letter of June 6th[2] re the relationship between CINCFE and the United States Ambassador in Tokyo in connection with the disestablishment of the former on July 1. Actually, I only received the letter today since it was intercepted by the staff and they have been endeavoring to obtain Defense comments.

For your private information, this office agrees with your position and I believe the concurrence of Admiral Radford and Mr. Quarles can be obtained. The foregoing position is subject to one proviso, assurance that rescinding the Presidential Directive of April 23, 1952 will result in no substantive or protocol impact under the security and administrative agreements now in effect with Japan. I have directed my office to advise me on this point.

I must suggest a further delay which I hope will be very short in order that we can advise the Navy which will be the Executive Agent in the Department of Defense for that area after 1 July.

I will advise you promptly of the final decision.

Sincerely yours,

Mannie

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ing to the communiqué and the Prime Minister's visit. The transcript is *ibid.*, July 15, 1957, p. 96.

[1] Source: Department of State, Central Files, 790.5/6–2157. Secret.

[2] In this letter, Robertson outlined arguments in support of the Department's view that the Presidential Directive of April 23, 1952, should be rescinded at the time of the disestablishment of CINCFE. The letter is attached to this one. See Document 125.

195. Memorandum of a Telephone Conversation Between the Secretary of State and the Solicitor General (Rankin), Washington, June 21, 1957, 5:19 p.m.[1]

TELEPHONE CALL FROM THE SOLICITOR GENERAL

The Sec returned the call and the SG said in the Girard case the Court granted certiorari on both petitions and set it down for hearing July 8. So we ought to get it disposed of. The Sec said fine. The SG will be arguing it. The Sec said you appreciate the significance this has. It affects our whole defense posture and collective defense arrangements all over the world. R said something re conducting foreign affairs. The Sec said when you permanently station troops abroad instead of on a temporary transit you subject them to the jurisdiction of that state except as that state may waive it. SG agreed. The Sec said if they waive it under mutual waivers as here it is hard to see how such an arrangement is not valid. If we cannot make such an arrangement then in effect there cannot be any waiver by the country where our troops are. It ends up they must have complete jurisdiction because apparently a conditional waiver is no good. If we cannot honor it then there is no alternative but to retain 100% jurisdiction. Therefore you cannot have troops there. The SG said it is an absurd situation and we have to make it plain to the Court so they see the impossibility of it. The SG said we will submit to State the draft of brief which must be filed July 1. The Sec said he would like to see it.[2] The SG will get it here as well as to our people.[3]

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[1] Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Prepared in the Office of the Secretary of State.

[2] Not found in Department of State files.

[3] According to Minnich's minutes of the Cabinet meeting held on June 28, Brownell reviewed several recent court decisions:

"In regard to the Girard case, he believed that the lower court decision was incomplete since it did not recognize the peace treaty ratified by the Senate authorizing an agreement such as was subsequently made. He indicated that the Government would soon present its case to the Supreme Court and would maintain that the treaty provision is paramount." (Eisenhower Library, Whitman File, Cabinet Series)

196. Memorandum of a Conversation, Pentagon, Washington, June 26, 1957[1]

SUBJECT

Japanese Defense Agency planning and negotiations with United States

PARTICIPANTS

Mr. Osamu Kaihara, Chief, First Section Defense Bureau, Japan Defense Agency
Lieutenant Colonel Masaji Takahashi, Defense Attaché, Japanese Embassy
Mr. James V. Martin, Jr., Officer in Charge, Japanese Affairs

Mr. Kaihara is having talks this week at the Pentagon about Japan's defense build-up plan. Mr. Kaihara went over with Mr. Martin the subjects which he has been and will be discussing with Defense.

Mr. Martin asked Mr. Kaihara if there was any likelihood that the three-year defense plan would be revised to accommodate an accelerated build-up of the air force. Mr. Kaihara expressed the conviction that the obstacles in the way of any substantial increase over the goals set by the three-year plan were practically insuperable. The defense budget this year is 101 billion yen and an annual increase of 20 billion yen is foreseen. Additional funds also are available, including carry-overs from previous years. The carry-over of all funds available for disbursement was 26 per cent in JFY 1955 and in JFY 1956 it was 24 per cent. There have been five principal reasons for this large carry-over:

(1) Slowness in completing specifications.
(2) Difficulty in buying land from farmers.
(3) Delay in importation of equipment (e.g. Belgian rifles which are now standard equipment for NATO countries take one and one-half years for delivery).
(4) Delay in receiving MDAP.
(5) Delay in release of United States bases (this is not a complaint, merely the fact that it was anticipated that some bases would be released at a certain time and they were not).

The Japanese Government is naturally unwilling, Mr. Kaihara explained, to raise appropriations over the present annual 20 billion increase when there is such a substantial carry-over, representing an inability to disburse previously appropriated funds.

Mr. Martin commented that Admiral Hoshina[2] had a plan to build up the air self-defense force to a strength of some two thousand or so planes. Mr. Kaihara said this was so and that the same figure had been recommended by the United States Air Force. (Mr. Kaihara said one of the problems for the Defense Agency has been to correlate the overly enthusiastic recommendations of each of the three American services. For example, the United States Army once recommended a strength of 300,000 for the Japanese GSDF; our Navy recommended a strength of over 300,000 tons of naval vessels for the MSDF.) Admiral Hoshina, however, Mr. Kaihara explained, fails to comprehend the practical problems. These practical problems, so far as the ASDF are concerned, consist primarily in pilot training, not in the acquisition of aircraft. There are not enough suitable applicants for pilot training. All Japanese air force pilots have to learn English well enough to understand the radio ground control which is under American management. (The Japanese sought, Mr. Kaihara stated, to institute a system whereby Japanese operators could work in the control towers using their own language or alternatively to have only the key pilots required to know English, but the United States side would not agree.) Finally, there are not enough Japanese flight instructors nor sufficient training equipment. A further obstacle to rapid build-up is the lack of adequately trained ground crews. It takes three years for mechanics to become experts.

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[1] Source: Department of State, Central Files, 794.5/6-2657. Secret. Drafted by Martin on June 28.

[2] A former Vice Admiral, Zenshiro Hoshina was an LDP member of the House of Representatives and an adviser to Prime Minister Kishi on defense matters.

One of the problems in equipping Japanese defense forces and looking towards the development of modern weapons is the lack of adequate security legislation in Japan. Mr. Kaihara said that he would be discussing this matter in the Pentagon this afternoon and hoped to learn the minimum the Pentagon requires for such legislation. He anticipated that there would be difficulty putting the legislation through and that is why it was necessary to know minimum requirements.

Mr. Kaihara said that the decision by the Defense Department to withdraw the eight American AAA Battalions from Japan, a decision having been made without consultation with the Japanese, had put the Defense Agency into a corner. The Defense Agency had previously decided to create eight Japanese AAA Battalions and the JDA would attempt to persuade the Japanese public that the American decision to withdraw its AAA Battalions had been made on the basis of the Japanese decision. The only other conclusion which would suggest itself to the Japanese people, as it had already suggested itself to the Finance Ministry, was that the United States Defense Department regarded antiaircraft guns as outmoded and no longer useful. If this were the case, he asked, why should the United States Army have been urging upon Japan for the past two years the creation of antiaircraft battalions? In connection with the creation of these battalions, Mr. Kaihara said that they would be a part of the Japanese ground forces rather than a part of the air forces. He also expressed the hope that in the future the United States would consult with Japan before making major decisions of this nature. He intimated that the Japanese press had become aware of the American decision to withdraw its AAA units when the various installations concerned had informed representatives of the Japanese special procurement agency that the properties were to be turned back to the Japanese Government.

Mr. Martin asked Mr. Kaihara whether it might not be possible for the Japanese to develop guided missile units to defend against air attack and pointed out that Prime Minister Kishi had stated in the Diet some six weeks ago that not all nuclear weapons need to be considered unconstitutional in Japan. This observation could apply to purely defensive guided missiles with nuclear warheads. Mr. Kaihara agreed. Mr. Martin asked him about the rocket which a Japanese scientist recently had built and tested, the Kappa. Mr. Kaihara said that a Dr. Itogawa had developed this and that he and Itogawa had gone to high school together but had had no contacts since then. At the present time the Defense Agency was unable to have any direct contact with Dr. Itogawa or his associates because these scientists, like many others, entertained leftist ideas and were totally opposed to Japanese rearmament. The Kappa was being developed only for its use in the International Geophysical Year experiments. He said, however, that following the Japanese custom, it was possible to use a go-between and obtain some information.

The Japanese Defense Agency desires to obtain from the United States, if possible, two destroyers or one guided missile cruiser in JFY 1958; Japanese funds are available. The Japanese also plan to build two destroyers this year under the OSP program. Admiral Southerland has told Mr. Kaihara that he cannot say for sure whether a cruiser can be made available. It appears that the Japanese were thinking of a 6,000-ton cruiser from which to operate guided missiles (Navy "Terrier") but the Admiral told them that a 10,000-ton cruiser at a minimum would be required for this purpose.

The Japanese also desire to get one submarine as a practice target. They have one old American submarine at the moment but it is in bad condition. The Japanese are planning on producing one large submarine and three small ones but this will take time.

With respect to military aircraft production, the JDA has tentative plans to have the P2V-7 built in Japan by Shin Meiwa in cooperation with Lockheed. Sixty per cent of the parts will be obtained in Japan and forty per cent imported from the United States. One plane a month can be built after a lead period of one and a half years. They plan to build altogether forty-two planes in three years. Actually they need a total of sixty. Manufacture, if undertaken, would probably continue beyond three years. The United States Navy has been trying to persuade JDA that the Japanese must have a capacity to build for themselves anti-submarine aircraft.

Problems in connection with this plan are that Shin Meiwa must quadruple its stock. The company, which is a successor to the Kawanishi Aircraft Corporation, and which now overhauls United States aircraft at Itami Air Base, has been earning no dividends. The Japanese Government will therefore have to support the project.

There has been some discussion as to whether F–100 and/or F–104 aircraft should be produced in Japan. The F–100, a heavy supersonic fighter bomber (Mach 1.2), is manufactured by the North American Aviation Corporation and would be manufactured in Japan by Mitsubishi. The F–104, an interceptor aircraft of about one-half the weight of the F–100 and much faster (cruising Mach 1.5, maximum Mach 2), would be manufactured in Japan by Kawasaki in cooperation with Lockheed. The JDA, FEC, and MAAGJ all prefer the F–104. This suits Kawasaki perfectly because its manufacture of T–33 jet trainers will come to a stop in the fall of 1958. It would like to start the F–104 project by that time but needs a lead time of a year and one-half. In any event, three hundred planes in the Century class will be built by 1962. Expenses have been calculated on the basis of the F–100, the more expensive plane.

Mitsubishi is currently building the F–86–F day fighter. Problems have been encountered because of frequent failure of subcontracted items to meet specifications.

Japan wishes to obtain sixty F–86–D's, all-weather fighter bombers, between July 1 and December 31, 1958 through MDAP. Thereafter, an additional 120 planes should be obtained by the Japanese in the opinion of MAAGJ, according to Mr. Kaihara.

The United States currently operates twenty-four early warning radar sites around the Japanese perimeter. The JDA estimates the cost of operation of these sites at 10–15 billion yen annually. This is a figure equivalent to one-tenth of the Japanese defense budget and therefore a substantial expense. The Japanese are proposing that the United States and Japan split the cost, but an effort is being made by the American military side to have Japan absorb the entire expense.

Mr. Kaihara noted that in the meeting on Thursday morning when Admiral Radford gave a briefing to Mr. Kishi and the Japanese,[3] the map which the Admiral was lecturing from indicated only six Japanese divisions among its forces. Mr. Kaihara pointed out that Japan also has three combat brigades which have about the same fire power as a division though they have only one-half the personnel. One more brigade is to be created. Mr. Martin asked Mr. Kaihara what is the present actual strength of Japanese GSDF, and he answered that it was 152,000.

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[3] See Document 186.

197. Memorandum of a Telephone Conversation Between the Under Secretary of State (Herter) and Representative Sam Rayburn, Washington, June 28, 1957, 3:05 p.m.[1]

The Under Secretary telephoned Mr. Rayburn to express the Department's concern about the Girard case and the Bow Resolution.[2] Mr. Herter told Mr. Rayburn that the Department was not given an opportunity to put its views in the record; that although we had somebody standing by in the anteroom, he was never called by the Committee; and that a memorandum was being sent to Congressman Gordon this afternoon setting forth the Department's position in the hope that it could be made a part of the record. Upon inquiry as to where the Girard resolution stood, Mr. Rayburn said they are planning to schedule it on the floor before the Mutual Security Program since it might otherwise get tacked on to the Mutual Security bill as a rider, which would be undesirable. Mr. Rayburn also said that the Girard resolution would go through the Rules Committee, but that as yet no one has asked for a ruling. He also said it would be in the form of a Joint Resolution which would have to pass the Senate and be signed by the President.[3]

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[1] Source: Department of State, Central Files, 711.551/6–2857. Drafted by Herter.

[2] As approved by the House Committee on Foreign Affairs on June 27 by a vote of 18 to 8, the Bow Resolution (H.J. 16) called for revision or denunciation of all status of forces agreements which permitted the United States to waive jurisdiction over servicemen accused of crimes.

Eisenhower discussed the Bow Resolution and its relationship to the Girard case at a meeting held with Congressional leaders on July 9. The President made clear his intention to veto it if necessary. (Supplementary Notes on Legislative Leadership Meeting by Minnich; Eisenhower Library, Whitman File, Legislative Meetings)

In his news conference held July 17, President Eisenhower said that without status of forces treaties, the alliance system would "fall to pieces", because the United States would be compelled to withdraw its soldiers stationed abroad. Eisenhower stated also that he had made his position clear to Congressional leaders of both parties and that he had found them to be in support of his stand. (*Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1957*, pp. 549–550)

[3] There was no action on H.J. 16 before Congress adjourned August 30. On May 13, 1958, Bow offered his proposal as an amendment to the Mutual Security Act of 1958. It was defeated in a standing vote, 89 to 61.

198. Letter From the Secretary of State to the Secretary of Defense (Wilson)[1]

Washington, July 9, 1957.

DEAR MR. SECRETARY: Immediately after receipt of Mr. Sprague's letter of June 21, 1957[2] to Mr. Robertson, regarding the disestablishment of CINCFE and rescission of the Memorandum by the President of April 23, 1952, agreement was reached in an interdepartmental meeting at the staff level on the questions referred to in the second paragraph of Mr. Sprague's letter. We have also had the benefit of discussions with Ambassador MacArthur on these questions. As a result, I believe we can resolve the questions referred to in Mr. Sprague's letter and raised by your staff in the following manner:

1. As far as protocol on the United States side is concerned Ambassador MacArthur believes, and we completely agree, that COMUS Japan should take precedence among United States representatives in Japan immediately after the chief of the diplomatic mission.
2. Ambassador MacArthur believes, and we agree, that there should be no change in the present arrangements for military participation in the Joint Committee, set up under Article XXVI of the Administrative Agreement between the United States and Japan.
3. Similarly Ambassador MacArthur believes, and we agree, that there should be no change in the present relationship between MAAG Japan and the chief of the diplomatic misson.

There will no doubt be other minor points arising during the next few months, and I suggest that these be discussed and resolved by our respective staffs.

I am enclosing herewith in duplicate for your consideration and signature a memorandum of understanding between the Departments of State and Defense concerning the relationship between COMUS Japan, MAAG Japan, and the chief of the diplomatic mission, which embodies the three points mentioned above. If this memorandum of understanding meets with your approval, kindly sign and return one copy to me.

I am also enclosing herewith in duplicate a proposed memorandum to the President, which requests him to rescind the memorandum by the President of April 23, 1952 defining the relationship between CINCFE and the chief of the diplomatic mission in Japan. If this meets with your approval, please sign the original and forward it to the President.[3]

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[1] Source: Department of State, Central Files, 790.5/6-2157. Secret. Drafted in NA on July 8.

[2] Document 194.

Sincerely yours,

John Foster Dulles[4]

[Enclosure]

MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENTS OF DEFENSE AND STATE CONCERNING RELATIONSHIPS BETWEEN THE COMMANDER OF UNITED STATES FORCES, JAPAN (COMUS JAPAN), MILITARY ASSISTANCE ADVISORY GROUP, JAPAN, AND THE CHIEF OF THE DIPLOMATIC MISSION IN JAPAN[5]

Representatives of the Departments of Defense and State have reached the following understandings on certain questions arising out of the disestablishment of the Commander in Chief, Far East (CINCFE) and the rescission of the memorandum by the President of April 23, 1952, which questions affect the relationships of the Commander of United States Forces, Japan (COMUS Japan) and of the Military Assistance Advisory Group with the chief of the diplomatic mission in Japan:

1. The Commander of United States Forces, Japan shall take precedence among United States representatives in Japan immediately after the chief of the diplomatic mission.

2. There will be no change in the present arrangements for military participation in the Joint Committee set up under Article XXVI of the Administrative Agreement Between the United States and Japan.

3. There shall be no change in the present relationship between the Military Assistance Advisory Group, Japan and the chief of the diplomatic mission.

4. If any difference arises between the Commander of United States Forces, Japan and the chief of the diplomatic mission in Japan regarding policy affecting military matters, the question shall be referred by them to the Department of Defense and to the Department of State, respectively, for resolution, and action shall be withheld in the meantime except that in an emergency affecting the security of forces,

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[3] This memorandum was forwarded to the President on August 1 after signature by Wilson. On August 3 Eisenhower signed the following memorandum: "The memorandum of April 23, 1952 which established principles to govern the relationships between the chief of the diplomatic mission in Japan and the Commander in Chief, Far East (CINCFE) after the Treaty of Peace with Japan and the Security Treaty between the United States and Japan should have come into force, is hereby rescinded in its entirety, such rescission to become effective forthwith." Both memoranda are attached to this letter.

[4] Printed from a copy that bears this stamped signature.

[5] Secret. Drafted in NA on June 5.

or in the imminent threat of such an emergency, the Commander of United States Forces, Japan may take required action to safeguard the security of its forces.

5. The foregoing understandings are in the context of the United States arrangements for the implementation of the present Security Treaty Between the United States and Japan and the Administrative Agreement Between the United States and Japan. In the event of a revision or modification of either of these documents, it may become necessary for the two Departments to review these understandings in the light of the new situation.

John Foster Dulles[6]
Secretary of State

Secretary of Defense[7]

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[6] Printed from a copy that bears this stamped signature.

[7] Wilson signed this memorandum August 1. The copy with Wilson's signature is attached to a memorandum from Howe to Dulles, August 6, in Department of State, Central Files, 611.947/8-357.

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199. Telegram From the Department of State to the Embassy in Japan[1]

Washington, July 11, 1957.

68. Substance per curiam Supreme Court decision[2] Girard case favorable US Government follows:

"United States had decided not to exercise, but to waive, whatever jurisdiction it might have in the case. The Secretary of State and the Secretary of Defense decided that this determination should be carried out. The President confirmed their joint conclusion.

A sovereign nation has exclusive jurisdiction to punish offenses against its laws committed within its borders, unless it expressly or impliedly consents to surrender its jurisdiction. 'Schooner Exchange v. M'Faddon,' 7 Chranch 16, 136. Japan's cession to the United States of jurisdiction to try American military personnel for conduct constituting an offense against the laws of both countries was conditioned by the covenant of Article XVII, section 3, paragraph (c) of the Protocol that

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[1] Source: Department of State, Central Files, 711.551/7-1157. Unclassified; Niact. Drafted in NA and approved for transmission by Becker. The time of transmission is illegible on the source text.

[2] On July 11.

' . . . [3] The authorities of the State having the primary right shall give sympathetic consideration to a request from the authorities of the other State for a waiver of its right in cases where the other State considers such waiver to be of particular importance.'

The issue for our decision is therefore narrowed to the question whether, upon the record before us, the Constitution or legislation subsequent to the Security Treaty prohibited the carrying out of this provision authorized by the Treaty for waiver of the qualified jurisdiction granted by Japan. We find no constitiutional or statutory barrier to the provision as applied here. In the absence of such encroachments, the wisdom of the arrangement is exclusively for the determination of the Executive and Legislative Branches.

The judgment of the District Court in No. 1103 is reversed, and its judgment in No. 1108 is affirmed.

Mr. Justice Douglas took no part in the consideration or decision of this case."

Affirmance in No. 1108 related to District Court refusal grant habeas corpus.[4]

Dulles

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[3] Ellipsis in the source text.

[4] In telegram 121 from Tokyo, July 15, the Embassy reported on the reception of the Court's decision in Japan:

"Supreme Court decision Girard case received with gratification and relief in Japanese official circles. Prime Minister Kishi informed Ambassador he was very happy about ruling and felt decision would result in closer and stronger relations between two countries. While Foreign Minister informed press no formal government statement would be issued he 'praised' decision saying it manifested 'good sense' of US. Justice Minister likewise expressed belief decision 'proper' and would aid in deepening Japan-US friendship."

The Embassy stressed also the "heavy and uniformly favorable" press coverage of the decision. (Department of State, Central Files, 711.551/7–1557)

Aiichiro Fujiyama and Toshiki Karasawa had become Foreign Minister and Justice Minister, respectively, on July 10.

Girard's trial began on August 26 and concluded on November 19, when the Japanese Court found him guilty of causing bodily injury resulting in death, and imposed upon him a sentence of 3 years imprisonment, which was suspended. Girard then returned to the United States, where he was discharged from the Army in December.

200. Memorandum of a Conversation, Department of State, Washington, July 12, 1957[1]

SUBJECT

The Far East

PARTICIPANTS FOR PAKISTAN:

The Prime Minister[2]
Mr. M. S. A. Baig, Secretary of Foreign Affairs
Mr. A. Husain, Secretary of Defense

PARTICIPANTS FOR THE UNITED STATES:

The Secretary
The Under Secretary
Ambassador-designate James Langley
William M. Rountree, NEA
Robert R. Bowie, S/P
J. Jefferson Jones, III, SOA
Charles D. Withers, SOA
John M. Howison, SOA

[Here follows a brief discussion of United States policy toward China.]

Japan

The Secretary observed that the recent visit of Prime Minister Kishi had been useful. Foundations had been laid for a new and sounder relationship between Japan and the US. Heretofore the US, under the Security Treaty which the Secretary had himself negotiated, had played the predominant role in maintaining Japanese security. The Japanese had acquiesced in this situation but were now beginning to assume a more positive attitude. The US welcomed this development.[3]

The Secretary stated that he had not been pleased with the passivity of the Japanese. Having negotiated what had been hailed at the time as a treaty of reconciliation, the Secretary had always wished to see the Japanese assert themselves more. Now, under Kishi, more vitality was promised. US-Japanese intercourse would now be bilateral.

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[1] Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by John M. Howison.

[2] Husein Shaheed Suhrawardy.

[3] In a memorandum to Reinhardt dated June 26, Joseph N. Greene, Jr., Deputy Director of the Executive Secretariat, stated that Dulles had asked that Reinhardt coordinate followup actions arising from the Kishi visit. (Department of State, Central Files, 611.94/7-557) See Document 208.

The Secretary explained that we had not been able to satisfy entirely the Japanese request for Okinawa. We had recognized it as belonging ultimately to the Japanese, although while present world tensions continued we were unable to abandon our rights there.

Mr. Suhrawardy asked whether the question of retaining bases in Japan had been discussed. The Secretary responded that the question had been one of reducing forces rather than withdrawing from bases. He believed Mr. Kishi, who had not urged that all US forces be withdrawn, was satisfied with our position. A bilateral commission was being established which would henceforth confirm the disposition of US troops on Japanese soil.

[Here follows discussion of developments in Thailand.]

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201. Memorandum of a Conference With the President, White House, Washington, July 23, 1957, 11 a.m.[1]

OTHERS PRESENT

General Lemnitzer
General Goodpaster
Major Eisenhower[2]

General Lemnitzer came in to report to the President on the termination of the Far East Command. He said that a turnover ceremony had been held in Tokyo, in which Admiral Stump assumed the United States responsibilities, and another had been held in Korea in which General Decker assumed the functions of the UN Commander-in-Chief. General Lemnitzer said he had also visited with the Generalissimo on Formosa, and had found him somewhat low in spirits and quite worried over the effect that the passage of time is having on the military and political situation of the Chinese Nationalists. General Lemnitzer had also addressed the Ryukyuan legislature in Okinawa, reviewing the progress that had been made since 1945 when they were destitute to the present time.

He then went on to comment on two recent actions which he said were tremendously helpful in the western Pacific. The first was the suspension of Paragraph 13D of the Armistice; this is a great help to maintaining a proper military posture in the area. The second was the issuance of an Executive Order placing the administration of the Ryukyu Islands on a sound basis. He said it was very good to have designated as High Commissioner the same man who was in military command in the Ryukyus. The President interjected that the principle of linking military and civilian responsibility in a single individual is fundamental to his concept of the functioning of the U.S. Joint Chiefs of Staff. General Lemnitzer also reported that the land program is well under way in Okinawa—this is the program by which all land not strongly needed by the military forces is returned to the civilian economy.

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[1] Source: Eisenhower Library, Whitman File, Eisenhower Diaries, Memoranda of Conversation With the President, January–July 1957. Secret. Drafted by Goodpaster on July 25.

[2] Major John S. D. Eisenhower, Office of the Deputy Chief of Staff for Military Operations, Department of Defense.

[Here follows discussion of Korea; this portion of the memorandum is scheduled for publication in Part 2.]

The President asked for General Lemnitzer's comments concerning Japan, and recalled that he has been proposing to pull out all of our forces. General Lemnitzer said the Japanese have been slow in proceeding with their rearmament, using the constitutional prohibition of forces as an excuse. They have self-defense battalions, but these are not of combined arms size or capability. We will soon be moving our ground combat units out. However, we have some tremendous military depots there, supporting, for example, the foreign military aid program through rebuilding of vehicles, aircraft, etc. Primary reliance is on the Japanese but we have supervisory personnel. The President said he could understand retaining elements of this type. With regard to their Air Force and the Navy, the Japanese are barely getting started. They have no A, C & W, and this must still be developed. The forces do not have a combat potential at the present time. General Lemnitzer said he has been pressing the Japanese to develop a defense council—somewhat like our NSC—so as to have a policy instrument to deal with defense problems. The President said the problem is a difficult one. We want to keep Japan as a friend but at the same time want to lead the Japanese to doing the things that are necessary for security in the western Pacific.

G
Brigadier General, USA

202. Despatch From the Embassy in Japan to the Department of State[1]

No. 85

Tokyo, July 26, 1957.

REF

Circular 791, April 1, 1957;[2] Circular CA-8508, April 15, 1957;[3] Embtel 3030, June 18, 1957[4]

SUBJECT

United States Military Assistance Program for Japan—Fiscal Year 1958

1. Pursuant to instructions contained in the reference Circulars the Embassy, in coordination with the Military Assistance Advisory Group (MAAG) and the United States Operations Mission, provided pertinent political-economic analyses and judgments necessary in the development of the Military Assistance Program for Japan for Fiscal Year 1959. The resultant material, particularly the economic assessment, was presented as Format E of the program submission which has been transmitted to Washington.

2. The Military Assistance Program for FY 1959 proposed by MAAG, Japan totals $84.3 million, distributed by Services as follows: Army, $9.3 million; Navy, $29.5 million; and Air Force, $45.5 million. This compares with previous years' programs as follows:

(In $ Millions)

	1950–7	*1958*	*1959*	*Total*
Army	$578.2	$15.7	$9.3	$603.2
Navy	351.9	69.5	29.5	450.9
Air Force	255.1	46.6	45.5	347.2
	$1,185.2	$131.8	$84.3	$1,401.3

The program provides military "hard" goods such as weapons, ships, and aircraft on both a grant aid and cost-sharing basis. The furnishing of these items by the U.S. is premised, because of their complexity or long production lead times, on the necessity of avoiding dangerously protracted delay in the attainment of force objectives and acceptable standards of combat readiness. The Embassy agrees with the assessment of the Chief of MAAG that the probable consequence of a drastic reduction in current aid to Japan at this time would be "a net lowering of the Japanese defense capability" which "would seriously imperil the attainment of U.S. security objectives in the Far East."[5]

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[1] Source: Department of State, Central Files, 794.5-MSP/7-2657. Secret.

[2] Circular telegram 791 contained instructions concerning the participation of Embassies and USOMs in Military Assistance Program development. (*Ibid.*, 700.5-MSP/4-157)

[3] This circular airgram contained instructions supplementary to circular telegram 791. (*Ibid.*, 700.5-MSP/4-1557)

[4] In telegram 3030, the Embassy sent to the Department a brief summary of the MAP proposal described in despatch 85. (*Ibid.*, 794.5-MSP/6-1857)

3. It is the considered judgment of the Embassy that the Military Assistance Program for Japan for FY 1959, as developed by MAAG, Japan, is consistent with U.S. political, military and economic objectives in Japan. The Embassy recommends continued grant aid notwithstanding the small percentage (1.5%) of gross national product (GNP) which the Japanese are devoting at the present time to defense and despite the Japanese official approach to rearmament which has heretofore been characterized by *hesitancy,* in view of the political liabilities involved; by *austerity,* in view of the manifold and urgent demands for general economic betterment; and by an apparent *lack of urgency,* in view of the presence of United States Forces in and about Japan.

4. It is generally recognized that there have been substantial political obstacles to an increased force buildup and to the allocation of an increasingly greater portion of the government's financial resources to defense. The Conservative Parties which have been in power since the establishment of the initial defense forces in 1950 have all been extremely sensitive to the basic Japanese repugnance toward war and toward "the military." There has been widespread fear that Japanese rearmament could again involve Japan in a disastrous war. The Japanese deep dread of nuclear weapons undoubtedly provides a psychological basis for this fundamental force in Japanese politics. Coupled with this is a strong national feeling on the part of the Japanese people that they must have a stable and prosperous national economy before they can support a defense force adequate to fill the legitimate defense needs of their country.

5. The Embassy feels that the heretofore predominant negative aspects of the official and popular attitudes toward the establishment and strengthening of Japanese national defense forces are on the threshold of a significant reappraisal by the Japanese themselves. Progress will continue to be slow but the elements of a fundamental change are present. While the Japanese program of rearmament for self-defense has moved forward at a relatively slow pace since the initial reluctant steps were taken in 1950, there is mounting evidence that sure progress in certain fields is being made. In the past three years this has been particularly reflected in the establishment and buildup to date of the basic Self Defense Forces, Ground, Air and Maritime, and increasing acceptance of their role in furthering the well being of the nation. This program will undoubtedly be accelerated as

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[5] The quoted document has not been identified.

the National Defense Council begins to fulfill its role of delineating national defense policies which will further legitimatize the achievement of military force goals.

6. Prime Minister Kishi is providing definitive leadership in planning for a respectable buildup of Japanese defense strength. Prior to his departure for the United States in June he directed the development of and obtained cabinet approval for both a basic national defense policy and an official defense plan covering Japanese fiscal years 1958, 1959 and 1960. While the details of the defense plan differ relatively little from the existing six year plan, its significance lies in the fact that the new plan has received "official" government approval while the previous plan remained for the past three years as merely a Defense Agency "proposal." The only major substantive change is the provision for U.S.-Japan cost-sharing aircraft production programs.

7. The new basic national defense policy reveals a further insight to progress in official thinking on defense matters. The Government publicly released the policy on May 20, 1957 in the following terms:

> "The purpose of National Defense is to preserve the independence and peace of the country founded on the principles of democracy by preventing both direct and indirect aggression or by expelling it if actually waged. The basic policy for the achievement of this purpose shall be as follows:
>
> > "(1) To support the activites of the United Nations and to promote international cooperation, thereby contributing to the cause of world peace.
> >
> > "(2) To promote national welfare and to enhance the spirit of patriotism and to lay a sound basis for National Security.
> >
> > "(3) To build up progressively an efficient and effective power of defense within the bounds of national capabilities and to the extent necessary for self defense.
> >
> > "(4) To cope with aggression with recourse to the joint security system of the United States of America, pending the effective functioning of the United Nations in the prevention and removal of aggression."

8. Aside from the actions taken in anticipation of the visit as mentioned above, Prime Minister Kishi's visit to the United States is expected to provide a significant impetus to the furtherance of Japanese defense preparations. Of particular importance are the resultant expressions in the communiqué of Japan's adherence to the Free World and the intention of the United States to "substantially reduce the numbers of United States forces in Japan within the next year" and the "prompt withdrawal of all United States ground combat forces." Japan will no longer be able to take for granted that it can relax in its own defense preparations because of the presence of United States Forces. At the same time, however, it should be pointed out, it would come as a devastating blow to them in their adjustment to the new conditions if

the United States were also to concurrently drastically reduce direct matériel and equipment assistance under the Mutual Security Program. While this is an eventuality that they will have to ultimately adjust to, United States military assistance is essential to Japan for an indefinite period in the future.

9. Another encouraging and significant factor in the defense buildup of Japan has been the success of the joint production programs for F-86-F and T-33 aircraft which have been jointly financed by the U.S. and Japan. This technique and these programs are not only serving to provide badly needed modern aircraft for the defense of Japan but have provided an attractive vehicle for Japanese financial contribution to the country's defense and the Government assuming greater responsibility in the establishment and maintenance of an adequate defense production base.

10. These defense developments under the present leadership contrast sharply with the actions of the country's leaders just six months ago at the time of the Annual Defense Review in January, 1957. They considered at that time that their political purposes would be better served by approving a major tax reduction and appropriating increased funds for welfare purposes than to proceed with the planned defense buildup under the unofficial six-year plan which would require a substantial increase in defense appropriations. Unfortunately, the additional defense incentive which was anticipated as a consequence of the application of the defense-share reduction formula contained in the April 25, 1956 exchange of notes was not realized inasmuch as the Government merely increased the defense budget a relatively insignificant amount over the previous year. This is a matter which is expected will be remedied in the course of consideration to be given to the plans and budgets for Japanese fiscal year 1958.

11. The impression has long existed in Japan that such defense efforts as are exerted by the Government of Japan are the direct results of pressure brought to bear by the United States. Considerable progress was made in countering this impression in the course of these conferences to consider the Japanese yen contribution to United States Forces in Japan. The subsequent developments under Mr. Kishi have helped materially to bring to the fore the compulsions of Japan's own role and responsibilities in its own defense. It has become increasingly evident to the more forward looking leaders in the Liberal-Democratic Party that the present strength of Japan's defense forces is inadequate not because the United States thinks it is inadequate but because they themselves deem it insufficient in the international situation that prevails. The best interests of both countries will be best served by American officials avoiding any public pronouncements that would

again give currency to the impression that the efforts by enlightened Japanese to further Japan's defense policies and structure is the product of American pressure rather than Japanese self-interest.

12. In the following paragraphs there is presented a review of the highlights of the programs as proposed by MAAG-Japan and concurred in by the Embassy.

13. Most significantly, a substantial portion of the proposed MAP program ($44 million) is to be applied to cost-sharing production programs for P2V–7 and F–104 aircraft. Ammunition, which has been a major MAP item, has been eliminated as grant aid in the FY 1959 program. This entails a reduction of approximately $61 million from the net requirements considered by MAAG. MAAG considers that Japan will have the capability of producing and financing this requirement. Emphasis is placed upon encouraging Japan to assume increased responsibility for supporting her forces in conventional weapons, rocket weapons, mortars, recoilless rifles, radios, aircraft, ships, etc. No provision is made for Quartermaster, Medical, Chemical, or Engineering items; for so-called "soft goods" or for POL. Only a small quantity of advanced weapons has been included for limited research and development purposes.

14. (a) *The Army program of $9.36 million* will provide support for ground forces in being and permit the expansion of 10,000 men to a total 180,000 man force in JFY 1959. This will result in a force of six divisions, four combined brigades, and essential combat and logistical support forces. No provision has been made for conversion to Nike of the four existing GSDF 90mm AA gun battalions or for the activation of four additional 90mm AA gun battalions since there is no provision for these in the "Six-Year Plan." The Army program is most directly affected by the ammunition cut-off decision since $61.1 million had been included for this item in GSDF estimates.

(b) The bulk of the Army program ($9.2 million) is for initial unit equipment, research and development items and "90 day war reserve" equipment. This latter item ($8.3 milliom) includes tanks, light and medium type; AA artillery weapons and field artillery pieces with prime movers. MAAG points out that the Japanese are either not now capable of furnishing them from their own resources or too long a lead time is involved in local production because of their complexity.

15. (a) *The Navy program of $29.5 million* will provide (1) for the support of MSDF Forces in being of 241 ships and small craft totalling approximately 90,000 tons, and 6½ air squadrons and support planes, and (2) for base buildup equipment for three airbases and five regional districts. Two destroyers are also included in the 1959 program as loan vessels from the U.S. Reserve Fleet (at no cost to MAP) with all cost of towage, rehabilitation, etc. to be borne by the Japanese.

(b) $19 million is to be the U.S. 1959 share of the proposed cost-sharing program for producing P2V–7 (anti-submarine warfare) aircraft in Japan. This sum, together with a diversion of $41 million from FY 1958 funds for U.S. supplied aircraft, would make $60 million available as the total U.S. share in the joint P2V–7 program.

(c) $6.7 million is proposed for ordnance equipment for Japanese constructed vessels and a little over $1 million is included for electronic and communications equipment. While experience has clearly shown Japanese ability to construct destroyers and other vessels comparable to U.S. Navy vessels, it remains necessary, however, to provide certain components under MAP such as fire-control equipment, armament, electronics equipment, etc.

16. (a) *The Air Force program of $45.5 million* will provide for the support of 12 day-fighter squadrons utilizing F–86–F aircraft; 2 all-weather fighter squadrons utilizing F–86–D aircraft; 3 transport squadrons utilizing C–46 aircraft; 2 AA battalions, 120mm; 1 conventional depot; 1 jet depot; 8 airbases; and communications and electronics equipment for 24 AC&W sites, 20 airbases and for training purposes.

(b) The 1959 program includes $25 million for a cost-sharing program for F–104 aircraft to be produced in Japan. This is in addition to $25 million proposed in the FY 1958 program. The total proposed F–104 program calls for 200 airplanes at a cost of $201.4 million. While this program will start off on a 50–50% share basis, the over-all program ratio will result in a 65–35% cost to Japan and the U.S., respectively. (The Embassy assumes that if a Century-series aircraft other than the F–104 is selected that the estimates will not be materially changed.)

(c) $17 million is proposed for communications and electronics equipment required for 9 AC&W sites to be transferred from FEAF during 1959, airbases and for training purposes. Approximately 75% of the equipment for AC&W sites is already in place and will be transferred with the sites.

(d) Present plans are for the activation of two all-weather fighter squadrons in each of FY's 1959, 1960, and 1961. The requirement for F–86–D aircraft through FY 1959 is 77, of which 60 are in the approved FY 1950–56 programs and 17 are in the FY 1958 program. No financing is proposed for these planes in 1959. An excess of 86 F–86–F aircraft is anticipated at the end of FY 1959. 66 of these aircraft however, will be used to equip 3 tactical reconnaissance squadrons. The balance will cover attrition needs.

For the Ambassador:
Outerbridge Horsey
Deputy Chief of Mission

203. Letter From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Assistant Secretary of the Army (Roderick)[1]

Washington, August 2, 1957.

DEAR GEORGE: As suggested in your letter of June 19,[2] we have again reviewed[3] the proposal to introduce dollar currency in the Ryukyu Islands in place of the presently circulating B yen. We took occasion at the time Ambassador MacArthur was in Washinton during the recent visit of Prime Minister Kishi to discuss this question with the Ambassador. He expressed fear of this action from the standpoint of our relations with Japan and indicated that he thought the introduction of dollar currency as the circulating medium in the Ryukyu Islands would be an unfortunate move. We continue to share this view and to hope that a way can be found to handle the Ryukyuan currency problem with a minimum of disturbance.

Although we recognize that the introduction of the dollar currency in the Ryukyus could have economic benefits and would have advantages from an administrative viewpoint, our inability to agree is based on political considerations. As you know, the reversionist sentiment in the Ryukyu Islands results largely from agitation originating in Japan. Although the United States Government policy on the need to retain our position in the Ryukyu Islands was fully explained to the Japanese Prime Minister while he was in Washington, it is to be expected that the Socialists and the communist elements in Japan will continue to agitate. They will do so because it is an issue which has political value, both from the viewpoint of obtaining support from those elements in Japan who feel strongly on the question and from the viewpoint of trying to frustrate Prime Minister Kishi and the Liberal-Democratic Party in their efforts to establish a closer relationship with the United States. It is anticipated that the introduction of United States dollars in the Ryukyus would be used by these agitators in an effort to demonstrate that the United States intends to retain the Islands in perpetuity and does not seriously intend that they will some day be returned to Japan. We continue to feel that our required tenure in the Ryukyus will be more acceptable to the Japanese and the Ryukyuans when actions taken do not provide ammunition to the Socialists and Communists in cases where our purposes can be achieved by a course not entailing such a result.

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[1] Source: Department of State, Central Files, 894C.13/6–1957. Confidential Drafted in NA.

[2] Not printed. (*Ibid.*, 894C.13/6–1957)

[3] Robertson's previous letter to Roderick on this subject was dated May 22. (*Ibid.*, FE Files: Lot 59 D 19, R)

On the other hand, the Department of State concurs in the desirability of avoiding debate in the United States Congress on the currency question in the Ryukyu Islands because of the attendant publicity in Japan which would result from such debate. Accordingly, we should like to suggest an alternate procedure. This procedure would involve putting the B yen on a more regularized basis in the following manner. It should be possible through administrative action to indicate that the B yen is backed one hundred per cent by the United States dollars available in the Ryukyuan Foreign Exchange Fund and therefore is freely convertible into dollars. It would appear also to be feasible administratively to indicate that B yen are available to United States agencies and United States individuals in the Ryukyus only through purchase with United States dollars through the mechanism of the Ryukyuan Foreign Exhchange Fund.

In this connection it would, of course, be desirable to replace, over time, the present bills which are circulating in the Ryukyus. As you know, they carry the indication that they are occupation currency. It would seem relatively easy, however, to replace these pieces of paper gradually, as the ones in circulation wear out, with currency more in keeping with the present status of the Ryukyu Islands under the terms of Article 3 of the Peace Treaty. Replacement of worn out bills is presumably done in any case. Would not this course of action meet the needs of the situation as described in your letter and in the report of the Inter-Agency Technical Mission, without running the risk of increasing the agitation from Japan for the reversion of the Islands to Japan? With full dollar backing and free interchangeability with dollars, the B yen would in essence become dollar currency, but without the political difficulties which would accompany the introduction of dollar currency.[4]

The Department of State would appreciate your giving further consideration, in consultation with the Department of the Treasury, to resolving the current currency problem in the Ryukyu Islands along the lines of the above suggestion.

I am sending copies of this letter to the Assistant Secretary of Defense for International Security Affairs, and the Director of the Office of International Finance, Department of the Treasury,[5] for their information.

Sincerely yours,

Walter S. Robertson[6]

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[4] In his June 19 letter, Roderick had disagreed with the view that the introduction of a dollar-backed currency would avoid the political disadvantages foreseen in the introduction of dollar currency on the ground that even dollar-backed yen would require Congressional authorization, with attendant publicity.

[5] George H. Willis.

[6] Printed from a copy that bears this typed signature.

204. Memorandum on the Substance of Discussion at the Department of State–Joint of Chiefs of Staff Meeting, Washington, August 9, 1957, 11:30 a.m.[1]

[Here follow a list of persons and discussion of subjects unrelated to Japan.]

2. Bonin Islands

Mr. Robertson said that he had sent a letter to Mr. Sprague on July 13 recommending an urgent survey of the number of people that the Bonin Islands can support, a study of possible compensation to former Bonin Islanders whose property is being used by United States forces, and possible visits by Japanese to the Bonins for the purpose of visiting ancestral graves. Mr. Sprague said that he had signed a reply to this letter last evening.[2]

Admiral Radford said that the United States does possess land records regarding property in the Bonins, that the islands cannot provide livelihood for more than a few people and that some arrangement for religious visits by Japanese could probably be worked out, although past experience indicated that the Japanese would use these visits for purposes other than religious. The Admiral then stated that the Chiefs feel strongly that we are being crowded in the Western Pacific; we have experienced difficulties recently in the Philippines, Ryukyus, Taiwan, and Japan, and the only place where we have had no trouble whatsoever is the Bonins. He commented that the United States will need facilities for guided missiles in this area and that the Bonins and the Marianas, although not ideal, may well be the best available facilities for this purpose. He also noted that the National Security Agency may have to withdraw operations eventually from Japan and that the Bonins might be useful for this. The Admiral concluded that he is reluctant to see us give up real estate which may be very valuable for the United States and which is not of any real value to Japan. He commented that no one had given any thought to the form of government that might be necessary in the Bonins if Japanese were allowed to repatriate; we might even be faced with a situation where the leftist leaders would be taking office.

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[1] Source: Department of State, State–JCS Meetings: Lot 61 D 417. Top Secret. The drafting officer is not indicated on the source text. The meeting was attended by all of the Joint Chiefs except General Taylor. General Lemnitzer, Vice Chief of Staff, represented the Army. Murphy and Robertson led the Department of State representatives Sprague attended for the Office of the Secretary of Defense, and Robert Amory, Deputy Director for Intelligence, represented the CIA.

[2] A summary of both of these letters is included in Document 208.

Mr. Robertson emphasized that it is important to make a survey to determine just how many people the islands can support and also to examine the problem of possible compensation. Mr. Sprague stated that his reply to Mr. Robertson sought to give current Defense information and thinking on the problems which had been raised. Admiral Radford said that CINCPAC can provide information available to him on how many people the islands can support and on the matter of religious visits.

[Here follows discussion of subjects unrelated to Japan.]

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205. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, August 12, 1957—7 p.m.

408. For Secretary, Robertson and Becker. Ohno discussed informally and confidentially with me method by which "Japanese American Committee on Security" could best implement provision in joint communiqué of June 21, 1957, that: "The Committee will also consult to assure that any action taken under the Security Treaty conforms to the principles of the UN Charter." He said GOJ is most anxious to reach agreement with US on this matter and publicly announce it before Fujiyama leaves for New York Sept 14. He stressed that in terms of Japanese opinion it tremendously important establish that Committee is real functioning body and that Washington agreements being implemented. He suggested we discuss this in first meeting of Security Committee.

I said before introducing this into Committee I felt it preferable first to have preliminary exchanges of views to properly prepare mutually satisfactory solution. He agreed not to introduce it into Committee at this juncture.

He then said GOJ thinking in terms of an exchange of notes between Embassy and FonOff which would restate pertinent obligations assumed by US and Japan in UN Charter and then state that any hostilities referred to in Article XXIV of Administrative Agreement and all measures taken as result thereof shall be immediately reported to Security Council, etc. As indication of what FonOff had in mind, he gave me informal "piece of paper" (transmitted in immediately following telegram)[2] which he said was not official proposal but would convey line of Japanese thinking.

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[1] Source: Department of State, Central Files, 794.5/8–1257. Confidential; Priority. Repeated to CINCPAC for POLAD.

I told Ohno I could not speak for govt but in my personal view exchange of notes seemed appropriate way to deal with problem.

I emphasized precise terms in which notes cast was very important since under our Constitution the Executive Branch could not amend treaties without appropriate Senate action. However if notes reaffirmed existing obligations we had assumed under UN Charter and parallel undertakings in other treaties to report to UN Security Council measures taken to resist aggression, I believe we could find appropriate formula. I said that Executive Branch would probably have to consult privately with Senate leadership and Foreign Relations Committee to explain matter and avoid misunderstanding as to what was contemplated.

I told Ohno I would immediately transmit informal paper he had given me but that if concept approved, precise language would have to be looked at by us very carefully for reasons I had set forth above.

From my talks with you while in Washington, I understood that you believed best way to handle this problem was by exchange of notes as indicated above, which would in effect be restatement of commitments we have already undertaken with Senate approval. If you concur in this approach, I would like to be able to inform Kishi and Fujiyama as soon as possible that:

a. We agree this matter should be handled by exchange of notes.
b. We will try to work out arrangements so announcement could be made by Sept 14 but cannot guarantee exact date.
c. We are examining their paper and will send comments (in form of redraft which I could put before Japanese) just as soon as we can.

Purely as an exercise and without any discussion with Japanese, we are sending in second following telegram[3] our own hasty redraft of Japanese paper in form of possible Japanese note to Embassy, to give an idea of what such a note might look like. This draft is only to indicate possible form and not substance since we have simply included substance of Japanese paper with appropriate adaptation to fit form. In US reply to any such Japanese note, the idea would be to include same agreed operative language as in Japanese note.

Passed COMUS Japan and USPOLAD, CINCPAC by other means.

MacArthur

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[2] *Infra.*

[3] Telegram 410 from Tokyo, August 12, not printed. (Department of State, Central Files, 794.5/8–1257)

206. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, August 12, 1957—8 p.m.

409. Re Embtel 408.[2] Following is text informal Japanese paper:

Begin Text: Title: Relationship between the security treaty and the United Nations Charter (end title)

In consideration of the obligations which the two countries respectively assume under the Charter of the United Nations, it is hereby confirmed that:

> (a) It is the duty of every member of the United Nations to settle any international dispute in which it may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in its international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations, as set forth in the Charter of the United Nations.
>
> (b) The Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the two countries under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.
>
> (c) Any hostilites referred to in Article XXIV of the Administrative Agreement and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council or any other appropriate organ of the United Nations has taken the measures necessary to restore and maintain international peace and security.

End Verbatim Text.

Passed COMUS Japan, by other means.

MacArthur

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[1] Source: Department of State, Central Files, 794.5/8–1257. Confidential; Priority. Repeated to CINCPAC for POLAD.

[2] *Supra.*

207. Letter From the Assistant Secretary of Defense for International Security Affairs (Sprague) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, August 15, 1957.

DEAR MR. ROBERTSON: This refers to Mr. Jones' letter of July 16, 1957,[2] commenting on Prime Minister Kishi's interest in the land situation on Okinawa and requesting some general statistics which can be used in a statement to the Japanese on land utilization in the Ryukyus.

The appreciation expressed by the Department of State for both the review and reassessment of land needs in the Ryukyus by the Governor, General Lemnitzer, and his careful supervision of this problem is a matter of satisfaction to the Department of Defense. As a result of this review, the estimate of total U.S. requirements was reduced from upwards of 56,000 acres to within the 52,088 previously authorized by the U.S. Congress. More than 300 acres of land previously acquired were returned to the local economy between 1 July and 31 December 1956.

The United States has been following and will continue to follow the policy of outgranting, for no cash compensation, all land included in its holdings to the extent that this is compatible with U.S. utilization and security requirements. On 31 December 1956, U.S. holdings of acreage remaining arable were calculated at 7,505 acres. Farming was permitted on 6,389 acres; this constitutes 85 per cent of the acreage held which remains arable.

On 27 February 1957, the Deputy Governor announced the decision that the Yonabaru airfield site will be utilized as a Marine helicopter installation instead of a Naval airfield, thus obviating any necessity for additional land acquistion at Yonabaru. In accordance with the most conservative policy and economy in U.S. land utilization, a requirement for additional land to build an airstrip on Miyako Island was cancelled.

Reappraisal of the land situation resulted in greater land values as well as lesser acreage needs. Based on these reappraisals, landowners are being given, in lieu of annual rentals, a cash payment a great many times more than the annual rent for the full use of their property. In Fiscal Year 1957, funds in the amount of $2 million for resettlement expenses incident to displacement of landowners, and $10 million for long-term land acquisition were made available to the field commanders. Funds, in addition to the amount previously authorized by the U.S. Congress, will be requested for land acquisition previously authorized.

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[1] Source: Department of State, Central Files, 033.9411/8–1557.

[2] Not printed. (*Ibid.*, 033.9411/7–1657)

The keystone of U.S. land policy in the Ryukyus is to keep U.S. holdings to an absolute minimum consistent with U.S. military missions in the area. In the furtherance of this policy every effort is being made to minimize requirements. Such efforts include joint service utilization of facilities, multi-story construction, and location of facilities on non-arable land. General Lemnitzer, earlier this year, told the Ryukyuans that this program is working "to the mutual benefit not only of the landowners, but of the Ryukyuan people in general, as well as the United States, and should usher in a period of greater prosperity and increasing well being in the Ryukyu Islands."

The Department of Defense would hope that such of the above information as may be provided to Prime Minister Kishi would be given in such a manner as to avoid any connotation of obligation on the part of the United States to provide the Government of Japan with reports on the activities of the U.S. administration of the Ryukyus.

Sincerely yours,

Mansfield D. Sprague

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208. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State[1]

Washington, August 16, 1957.

SUBJECT

Follow-up Actions on Kishi Visit

Attached for your information is a report on the actions taken and present status of the various matters raised during the course of Prime Minister Kishi's visit.

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[1] Source: Department of State, Central Files, 794.13/8–1657. Secret. Drafted in NA and cleared with Reinhardt.

[Attachment]

REPORT ON FOLLOW-UP ACTIONS ON KISHI VISIT

1. *Intergovernmental Committee*—On July 12 you wrote to Secretary Wilson[2] requesting Department of Defense concurrence in the establishment of an Intergovernmental Committee in Tokyo, headed by Ambassador MacArthur. Mr. Quarles replied to your letter on August 3[3] concurring in the designation of Ambassador MacArthur as Chairman of the Committee, and designating CINCPAC as a member and principal military and defense adviser on the Committee with COMUS Japan as his alternate. A simultaneous press release[4] was issued by the Japanese Foreign Office and Embassy Tokyo on August 6 announcing the establishment of the Committee to be called the "Japanese-American Committee on Security". The American membership is as indicated above and the Japanese are represented by the Foreign Minister and the Director General of the Defense Agency, with other cabinet members participating when deemed necessary. The terms of reference of the Committee correspond to the three points mentioned in the Joint Communiqué. Working arrangements for the Committee were approved by the Departments of State and Defense on August 13. The first meeting was held on August 16.

2. *Ryukyu Islands—Flag Question*—State–Defense agreement has been reached that the United States should not, at this time, agree that the Japanese flag be flown in the Ryukyu Islands. Ambassador MacArthur has been informed of this decision but will delay informing the Japanese until a more propitious time.

3. *Ryukyu Islands—Real Estate*—A letter was sent from Mr. Jones, Acting Assistant Secretary FE, to Assistant Secretary Sprague on July 16[5] requesting Defense to provide general statistics resulting from the FEC land assessment which could be used in a statement to the Japa-

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[2] Not printed. (*Ibid.*, 033.9411/7–1257)

[3] In his letter, Quarles asked that CINCPAC (rather than COMUS as proposed by Dulles) be the principal military adviser: "Since Japanese security and defense matters cannot be considered in isolation from the problems of the Far East as a whole CINCPAC as the Unified Commander appears to be the appropriate designee. In addition, such a designation, with COMUS Japan as his representative and alternate would make it clear that COMUS Japan would be speaking with the voice of CINCPAC rather than as a local commander. Finally this would be in accord with the command structure in the Pacific whereby COMUS Japan performs only the functions of coordination of a Unified Commander in Japan as the designated representative of CINCPAC." (*Ibid.*, 794.5/8–357)

[4] For text, see Department of State *Bulletin*, August 26, 1957, p. 350.

[5] See footnote 2, *supra*.

nese on land utilization in the Ryukyus. A reply has not yet been received from the Department of Defense.[6]

4. *Ryukyuan Emigration*—The question of allowing Ryukyuan emigration to the Trust Territories is now under consideration in the Department.

5. *Bonin Islands—Repatriation, Compensation and Visits*—Mr. Robertson wrote to Assistant Secretary Sprague on July 13[7] recommending the following action with regard to the foregoing: (1) that an urgent survey be made to determine how many persons Haha Jima and other unoccupied islands in the Bonins could support so that this information will be available before arriving at a final decision on repatriation to the Bonins; (2) that we inform the Japanese that the United States is prepared to compensate those former residents whose property has been expropriated or used by United States military forces, and requesting the Japanese to present evidence of private property holdings in the Bonins and (3) that the Department of Defense concur in permitting some sort of organized visits to the Bonins of properly cleared former residents who desire to visit ancestral graves.

Mr. Sprague's letter of reply, dated August 8, 1957,[8] argued against repatriation and visits to graves on military and security grounds and said that consequently, a survey to determine the capacity of the islands to support Japanese repatriates would serve no useful purpose. The position outlined in this letter, however, was superseded by the discusssion in which Mr. Robertson, Admiral Radford and Mr. Sprague participated at the State–JCS meeting on August 9.[9] An understanding was reached in that meeting that the Department of Defense would advise the Department of the results of a survey to determine the number of people the Islands can support and of possible arrangements for visits by Japanese to ancestral graves. Defense agreed generally with the approach to the compensation problem outlined in Mr. Robertson's letter and suggested that representatives of the two Departments meet to seek agreement on a recommended course of action. Mr. Robertson concurred in this suggestion in a reply to Mr. Sprague's letter dated August 16, 1957.[10]

6. *United States Force Levels in Japan*—A press release regarding the withdrawal of the First Cavalry Division was made on August 1 and a further release on the redeployment of the elements of the Third Marine Division now in Japan to Okinawa was made on August 7. Mr.

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[6] The reply, *supra*, was not received in the Bureau of Far Eastern Affairs until August 19.

[7] Not printed. (Department of State, Central Files, 033.9411/7–1357)

[8] Not printed. (*Ibid.*, FE Files: Lot 59 D 19, Sprague, Mansfield D.)

[9] See Document 204.

[10] Not printed. (Department of State, Central Files, 794C.0221/8–1657)

Robertson wrote to Assistant Secretary Sprague on July 11 requesting to be informed of plans regarding the timing and numbers of withdrawals of United States forces from Japan in the coming months.[11] No reply has been received.[12]

The Department of Defense, with our concurrence, has sent an instruction to CINCPAC,[13] the Chief of MAAG in Japan and COMUS Japan informing those military commands that the United States should not offer advice on Japanese force levels or composition thereof unless so requested by Japan.

7. *War Criminals, Class A*—The concurrence of the Clemency and Parole Board has been obtained to a course of action providing for reduction in sentence to time served or termination of parole supervision with regard to the Class A parolees. This course of action is presently under consideration by the Japanese.

8. *Textile Laws*—On July 25 you sent letters to the Attorney General and the Secretary of Commerce requesting continued efforts to obtain repeal or invalidation of the Alabama and South Carolina State textile laws.[14] On August 2 the Assistant Secretary of Commerce reported to the Acting Secretary that from a practical viewpoint it appears that it will not be possible to obtain voluntary repeal of these laws for two or three years since a reversal of the position of the proponents of these laws cannot be obtained so soon after their enactment. The Acting Secretary urged and it was agreed that the matter would be further explored by the Commerce Department and would be reviewed again in the fall.[15] Both the Secretary of Commerce and the Deputy Attorney General have made cooperative replies to your letter of July 25.[16]

9. *Japan's Financial Position*—Approval has been given for short term Export-Import Bank loans to Japan of $115 million for grains and

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[11] Not printed. (*Ibid.*, 794.5/7–1157)

[12] On August 2, the Joint Chiefs of Staff recommended to the Secretary of Defense withdrawal of certain U.S. units in Japan to accomplish a reduction of 40 percent in the total. On August 14, Wilson approved the recommendations and set June 30, 1958, as the target date for achievement of the goal. On October 14, 1957, Deputy Secretary of Defense Robertson decided that the First Marine Air Wing, previously scheduled to leave Japan as part of the reduction, was to remain in Japan until further notice. Documentation on redeployment schedules as set in the summer of 1957 is in National Archives and Records Administration, JCS Records, CCS 092 Japan (12–12–50).

[13] DEF 927589, August 16, not printed. (Department of Defense Files)

[14] Neither printed. (Both in Department of State, FE Files: Lot 59 D 19, Proposed State Legislation)

[15] Memorandum of conversation between Herter and Henry Kearns, Assistant Secretary of Commerce for International Affairs, by Thelma E. Vettel, Assistant Officer in Charge of Economic Affairs in NA, not printed. (*Ibid.*, Central Files, 411.9412/8–257)

[16] Neither found in Department of State files.

cotton.[17] An Export-Import Bank commercial credit of $60 million for cotton, in line with similar cotton credits in previous years, is assured. The Export-Import Bank has also announced a loan of $10.3 million to Fuji Iron and Steel Company and $7.3 million to Tohoku Electric Company. Still pending before the Export-Import Bank are about $70 million in other Japanese loan applications.

Japan is expected to seek an "impact" loan from the IBRD in the neighborhood of $300 million in order to maintain liquidity of foreign exchange reserves.

One-half of Japan's quota of $250 million has been drawn from the IMF.

The Department, subject to the lending criteria of the IBRD and Export-Import Bank and any special policy considerations, should support the remaining Japanese loan applications. Thereafter, this question should be withdrawn from the category "Kishi visit follow-up" and revert to normal status with continuing interest in Japan's balance of payments problem.

10. *GARIOA*—The United States did not raise with the Prime Minister the question of a GARIOA settlement, owing to Japan's difficult balance of payments position. On the United States side, the Interdepartmental Committee under Kenneth Young's chairmanship has been requested to explore possible ways in which the GARIOA claim could be settled in a manner which would promote increased unity among Free Asian countries.

The question should not be raised with Japan until after the first of the year, if then, depending upon financial and political developments. As soon as the Japanese financial position would tolerate new obligations, and if there is no political obstacle such as the imminence of a general election, an appropriate GARIOA settlement should be requested, taking account of possible collateral benefits to regional economic development.

Hereafter this matter can be treated as one requiring normal, continuing action and removed from the "Kishi visit follow-up" category.

11. *Southeast Asian Economic Cooperation*—Prime Minister Kishi's proposals were referred to the interagency committee under the chairmanship of Mr. Kenneth Young for an early report. The Department has now received this report.[18] The Department should consider the Committee's recommendations and prepare an early and appropriate response to the Japanese.

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[17] The Export-Import Bank and the Bank of Japan reached this agreement on August 16. Details are in telegram 427 to Tokyo, August 21. (Department of State, Central Files, 894.10/8–2157)

[18] See vol. XXI, p. 356.

12. *Japanese Vested Assets*—Nothing specific has been done with respect to Japanese vested assets. However, just prior to and since the Prime Minister's visit there have been the extensive discussions regarding German vested assets and United States war claims against Germany with which you are familiar. These discussions resulted in the White House announcement of July 31, 1957 concerning vested German assets. The final paragraph of this announcement indicates that an effort will be made to present to the next session of Congress a plan for dealing with Japanese vested assets. FE believes we should give full consideration to the limited return to former Japanese individual (natural person) owners specified in the Administration bills introduced in the last and the present Congress.

13. *China Trade Controls*—Japan aligned CHINCOM with COCOM controls effective July 30.

In the recent IL/II quota discussions in Paris the Japanese initially took an independent line and made unrealistically high quota demands for items in which they are particularly interested. However, within the limitations of their position which called for the abolition of the CHINCOM differential, they responded to United States requests for support and cooperated in keeping 1957 quotas at a level to which the United Sates could agree. Japan should again be requested to cooperate in keeping quotas low when COCOM–CHINCOM meets to set 1958 levels for the European Soviet Bloc and Communist China.

14. *Offshore Procurement*—This question was not discussed with the Prime Minister, although he did express appreciation of this type of assistance. The Department decided, however, that it should support the continuation of the offshore procurement program in Japan at a substantial level. No specific action has been deemed necessary so far. The Defense Department presentation of the proposed FY 1958 MDAP aid programs indicated that a substantial proportion of worldwide offshore procurement was contemplated for placement in Japan. Hereafter, this can be treated as a subject of normal continuing action and removed from the category of "Kishi visit follow-up".

15. *Temporary Agricultural Labor*—Mr. Murphy has arranged to hold a meeting on August 19 with Secretary of Labor Mitchell and General Swing of the Immigration and Naturalization Service at which the Department of State will attempt to obtain concurrence in expanding the program to a fixed ceiling of 3,000 persons.

16. *Disarmament Developments*—The United States delegation in London was requested to continue to supply detailed background information to the Japanese, especially as regards the United States position on nuclear tests.

209. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, August 17, 1957—2 p.m.

466. Re Embtel 464.[2] Pass Defense. This joint message from Ambassador MacArthur and General Smith.

Japanese-American Committee on Security held first meeting afternoon August 16. Atmosphere at meeting was cordial. Highlights of meeting were:

1. Exchange of brief opening addresses.
2. Agreement upon working arrangements for committee.
3. Discussion of problems arising from withdrawal US forces.

Following is summary of meeting. Full report with texts of principal statements follows by pouch.[3]

I. At opening of meeting Foreign Minister Fujiyama and I made brief prepared statements, stressing importance of committee and desire of both our governments to contribute to its successful functioning. Foreign Minister in addition outlined his views on principal tasks of committee: 1. to exchange views on security problems to further mutual understanding; 2. to contribute to smooth operation of Security Treaty; and 3. to study future adjustments of security system consonance with wishes of peoples in both countries. In connection with future adjustments, Foreign Minister stated that these have to be handled with utmost precaution although committee cannot escape facing problem.

In response to Foreign Minister, my statement (approved by General Smith) emphasized that committee must first concentrate on making present treaty function smoothly and that future adjustments take time and very careful preparation. We took this line in order to discourage tendencies toward early consideration of Security Treaty revision.

II. Committee then agreed upon working arrangements as formally proposed by me. Working arrangements are as set forth in Embtel 413[4] with exception of following additional sentence in final paragraph "E": "discussions will be confidential".

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[1] Source: Department of State, Central Files, 794.5/8–1757. Confidential; Priority. Repeated to CINCPAC POLAD for Admiral Stump.

[2] In telegram 464, August 16, the Embassy transmitted the text of a joint Embassy–Foreign Ministry press release concerning the meeting described in telegram 466. (*Ibid.*, 794.5/8–1657)

[3] Despatch 219 from Tokyo, August 21, not printed. (*Ibid.*, 794.5/8–2157)

[4] Dated August 12, not printed. (*Ibid.*, 794.5/8–1257)

III. Foreign Minister and Director General of Defense Agency made separate statements on second agenda item, problems arising from withdrawal US forces. Foreign Minister, after expressing appreciation for recent announcements of withdrawal First Cavalry and Third Marine Divisions, requested information "well in advance" on details of these withdrawals and on other further reduction of US forces due to impact of redeployment in Japan. Foreign Minister explained such advance information needed to permit Japanese Government to arrange for:

1. Assumption of defense responsibility by Japan Defense Force without jeopardizing defense setup.
2. Transfer to Defense Agency of facilities desired by it in face of requests for such facilities for non-military pruposes. (In this connection, Fujiyama also expressed hope for consultation on major facilities in which Japan "especially interested").
3. Measures to cope with prospective unemployment created by reduction in USFJ Japanese labor force.
4. Meeting decline in dollar expenditures and consequent impact on Japan balance of payments (Fujiyama mentioned hope that this decline might be cushioned by maintenance and expansion of OSP and military assistance). Foreign Minister concluded by proposing that program of disposition and redeployment US forces be communicated to and discussed by Committee on Security and that announcements on movement of US forces and release of facilities be made through mutual arrangements with view to avoiding public speculation on these matters.

Defense Director General reiterated major points made by Foreign Minister, stressing that transfer of defense responsibilities to Self Defense Forces depended on three factors:

1. Activation and training of required Japanese forces.
2. Stationing of such forces at appropriate locations.
3. Appropriate equipment of these forces.

He stated Japanese ground forces adequately trained and equipped to assume reponsibilities due to US assistance but complicated domestic procedures involved in stationing Japanese forces at appropriate locations. He explained his staff instructed to develop plan for phase-over but plan meaningless unless coordinated well in advance with US plans for facility releases. Finally Tsushima inquired about recent press reports implying drastic changes in MDAP policy (i.e. reports that US had proposed Japan purchase military equipment from US with yen, with yen proceeds being used by US to purchase equipment in Japan for other Asian countries).

General Smith and I then commented on statements by both Ministers. I explained in broad terms redeployment of US forces involved complicated considerations which often made early notification to Japanese Government difficult. I also questioned whether, as matter of procedure, information should not be made available to Japanese Government through established channel as soon as we receive it rather than waiting for meeting of Committee on Security, as suggested by Foreign Minister. Finally I gave Mr. Tsushima assurances as set forth in Deptel 311 [5] that no proposal for changing our aid program as reported in press has been made by US Government.

General Smith first expressed Admiral Stump's regrets for inability to attend first meeting and his hope to attend meeting in near future. He assured Ministers that we are fully cognizant of impact on Japan of US redeployment and of need for advance notification, and that we intend to continue to provide information through existing machinery as soon as it is available. He then described existing procedures for providing information on facility releases and his hope to be able to provide Japanese Government with information for facility releases as soon as available and possibly by September 1. He also presented current estimate on labor force reduction for next 10 months, i.e. 18,000 out of current 126,000 master labor contract employees. Committee discussed procedures for notifying Japanese Government of US redeployment plans. During discussion, Japanese representatives stressed:

1. Desire for information and discussion in committee on comprehensive US withdrawal plan.

2. Great concern about lack of notification on major withdrawals sufficiently in advance of public announcements such as in case First Cavalry Division.

3. Agreement that individual movement of troops and facility releases should continue to be handled through established channels with as much advance warning as possible. I reiterated our intention to project our planning as far in advance as possible and to give information to the Japanese Government as soon as we receive it without withholding such information until meeting of committee. Because I felt Japanese presentation might carry with it possible implication that committee and not US would decide on US withdrawal plans, I emphasized that once decisions were reached by US on withdrawal of US units we were not in a position to alter them. I also expressed regret at lack of sufficient advance notice on announcements of First Cavalry and Third Marine Division withdrawals but pointed out that these announcements made quickly in order to give immediate substance to undertakings made by President and Prime Minister Kishi in Washington and that US had no wish to embarrass or create problems for Japanese Government by such prompt action. Foreign Minister expressed appreciation for our zeal and intentions to implement undertaking in joint communiqué promptly.

IV. Meeting agreed to press release (Embtel 464).

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[5] Dated August 8, not printed. (*Ibid.*, 794.5-MSP/8-557) See footnote 5, Document 223.

V. It was agreed at conclusion of meeting that I would discuss with Foreign Ministry plans for next meeting. I hope to assure that arrangements for next meeting are made sufficiently in advance so that Admiral Stump can attend.

MacArthur

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210. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, August 19, 1957—2 p.m.

471. Re Embtel 124[2] and Deptel 117.[3] Gen Smith, Horsey and I dined privately with Kishi, Fujiyama, and Tsushima August 16 following first meeting Japanese-American Committee on Security.

Before dinner Gen Smith made very fine presentation problems involved in air defense system for Japan and need to start working at once on this urgent matter. Gen Smith and I proposed this problem in first instance be turned over to Joint Committee for immediate study of technical issues involved.

After considering problem and discussing it with Fujiyama and Tsushima, Kishi stated strong desire for setting up new ad hoc group rather than using Joint Committee. Japanese members of ad hoc group, which would thoroughly study technical problems, would be named by Tsushima from Defense Agency and ASDF, with Gen Genda (whose headquarters are now at Fuchu) playing prominent role. US element would be designated by Gen Smith.

Japanese were obviously very concerned about political aspects this problem in terms of domestic political considerations and Japanese public opinion. After further discussion, it was agreed that ad hoc group study would be held in strictest confidence on need-to-know basis. Kishi pointed out problem involved not only technical questions but ultimately important security and political issues which eventually would have to be considered by Japan-American Security Committee. In agreeing to above procedures for handling this important security problem, Gen Smith and I urged that Japanese members ad hoc group be named this week so work could be commenced, and Tsushima assured us he would do so.

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[1] Source: Department of State, Central Files, 794.5/8–1957. Top Secret; Limit Distribution. Repeated to CINCPAC for POLAD.

[2] In telegram 124, July 15, the Embassy discussed problems posed by the forthcoming integration of Japanese units into the air defense system, hitherto wholly manned and operated by U.S. forces. The Embassy had suggested the matter be taken up first in the Joint Committee, or, if Kishi wished, "some other forum" of his choosing. (*Ibid.*, 794.5/7–1557)

[3] In telegram 117 to Tokyo, July 16, the Department noted: "Agree desirability consulting with GOJ on operation air defense system for Japan and concur your planned approach." (*Ibid.*, 794.5/7-1557)

Later Kishi expressed to me his pleasure and appreciation over our consulting with him and his cabinet associates regarding procedures to be followed in studying this problem. He felt this in full keeping with spirit of his meeting with President and Secretary and was another evidence that we took new era of equal partnership seriously.

I discussed substance this message with Gen Smith August 18 just before his departure for Honolulu.

MacArthur

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211. Telegram From the Department of State to the Embassy in Japan[1]

Washington, August 28, 1957—8:34 p.m.

500. Your 408,[2] 409,[3] 410,[4] 563,[5] Next following telegram,[6] contains verbatim text suggested Japanese note on relationship between Security Treaty and UN Charter. Draft has been approved by Secretary and is based upon informal Japanese paper sent your 409.

Preamble emphasizes that provisions of Security Treaty and Administrative Agreement are fully in accord with obligations contained UN Charter. In view this approach appeared desirable to have interpretations agreed by two Governments as guidance for Committee on Security instead of having two Governments agree to interpretations worked out in Committee. Latter course could have undesirable implication that divergence of opinion had existed between two Governments regarding relationship of Security Treaty and UN Charter.

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[1] Source: Department of State, Central Files, 794.5/8-2757. Confidential; Niact. Drafted in NA and L/FE; cleared in L, L/UNA, UNP, and FE; and approved by Jones. Repeated to CINCPAC for POLAD.

[2] Document 205.

[3] Document 206.

[4] See footnote 3, Document 205.

[5] In telegram 563, August 27, MacArthur urged the Department to forward its draft of the suggested Japanese note on the relationship between the Security Treaty and the U.N. Charter. (Department of State, Central Files, 794.5/8-2757)

[6] *Infra.*

Order of Embtel points A and B reversed in Dept draft because Embtel point B is fundamental statement of relationship and thus proper lead-in to remaining two points.

Changes made in Dept draft point B are for purpose of conformity with precise language UN Charter. Dept considers exact adherence to Charter language of utmost importance in order not to give any appearance of seeking to change existing obligations through interpretation.

Point C changes were made because Japanese proposal differed from language of Article 51 of UN Charter in several substantial respects such as use of word "terminated" and reference to "any other organ of the United Nations". In order avoid future difficulties which could result from failing to adhere to Charter language, such as disputes over what are the measures which must be terminated, simple reaffirmation of intent to act in accordance with provisions of Article 51 has been adopted. Furthermore reference has been made to both Article I of Security Treaty and Article XXIV of Administrative Agreement in view different wording of these articles.

Defense concurs in this message.

Dulles

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212. Telegram From the Department of State to the Embassy in Japan[1]

Washington, August 28, 1957—8:35 p.m.

501. Following is verbatim text of suggested Japanese note on relationship between Security Treaty and UN Charter:

"I have the honor to refer to the establishment of the Japanese-American Committee on Security, pursuant to the Agreement announced in the communiqué of June 21, 1957, to study problems arising in relation to the Security Treaty, including consultation to assure that any action taken under the Treaty conforms to the principles of the United Nations Charter. It is the view of my Government that the Security Treaty and the related Administrative Agreement were entered into with due regard to the fact that the United States was then a member of the United Nations and in anticipation that Japan would become a member. The provisions of the Security Treaty and the Administrative Agreement were so drafted as to be fully in accord with the obligations which Japan would formally assume upon becoming a member of the United Nations. Accordingly, for the assistance of the Committee on Security in carrying out its responsibilities my Government wishes to confirm that the Governments of Japan and of the United States of America are in agreement concerning the interpretation of the Security Treaty and the Administrative Agreement as they relate to the Charter of the United Nations, and that it is the common understanding of the two Governments that:

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[1] Source: Department of State, Central Files, 794.5/8–2857. Confidential; Niact. Drafted in NA, cleared with the Department of Defense, and approved by Howard P. Jones. Repeated to CINCPAC for POLAD.

A) The Security Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the two Governments under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security;

B) As set forth in the Charter of the United Nations, both Governments are obliged to settle their international disputes by peaceful means in such a manner that international peace and security and justice, are not endangered and to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations;

C) In the event of any hostilities in the Japan area, as referred to in Article XXIV of the Administrative Agreement or any armed attack against Japan from without, as referred to in Article I of the Security Treaty, both Governments will act in accordance with the provisions of Article 51 of the United Nations Charter.

Acknowledgement of the receipt of this note will be considered by my Government as constituting confirmation by your Government of the foregoing principles".

Dulles

213. Telegram From the Department of State to the Embassy in Japan[1]

Washington, August 29, 1957—8:46 p.m.

515. Joint State–Defense message. Embtel 561.[2]

1. Para 4 contains substantive portion Aug 28 letter from Act Asst Sec Def Irwin to Asst Sec State Robertson[3] re withdrawal USFJ. All or part this letter may be used in discussions third agenda item Sept 4 meeting Security Committee in discretion Amb and Adm Stump.

2. If press release planned accordance penultimate para letter notify State and Defense soon as possible content and timing.

3. Final para letter not intended conflict with Defense instructions to CINCPAC, COMUS Japan and MAAG/J (DEF 927589 Aug 6 sent info Embassy Tokyo)[4] that Japan now responsible determination own force goals and US will not recommend force goals for JSDF. Intent is only that US point out US withdrawal in response to wishes of Japanese people will weaken defense of Japan until such time as Japan adequately increases its own forces to compensate for reduction US forces.

4. Substantive text letter follows.

"Preliminary plans provide for withdrawal approximately 39,500 of US forces now stationed Japan with target date for reduction to be completed by June 30, 1958. However timing withdrawal certain units and assigned personnel included in total planned force reduction requires further study within Defense.

Combat elements Army ground forces consisting 5,114 personnel will be withdrawn by December 31, 1957. Withdrawal of remaining force Army ground combat elements is planned and included in overall force reduction. Marine Corps ground combat units will be withdrawn by November 1957. Certain Army logistic and administrative forces, certain other Marine Corps units and certain Air and Naval forces will be withdrawn from Japan on a schedule resulting from plans and details now being worked out for that purpose and to be carried out by June 30, 1958. CINCPAC has been directed to instruct

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[1] Source: Department of State, Central Files, 794.5/8–2757. Confidential; Priority. Drafted in NA, cleared with the Department of Defense, and approved by Jones. Repeated priority to CINCPAC (with instructions to pass to POLAD) and to COMUS Japan.

[2] In telegram 561 from Tokyo, August 27, MacArthur reported on plans to discuss U.S. troop withdrawals from Japan at the second meeting of the Security Committee to be held September 4. (*Ibid.*, 794.5/8–2757)

[3] Not found.

[4] See footnote 13, Document 208.

COMUS Japan consult with Amb MacArthur and make available information to Japanese concerning these withdrawals and reduction forces as soon as firm and detailed plans are developed.

Overall reduction will be carried out by inactivation certain units and relocation some units in Far East as part plan for redeployment US forces in Pacific Command area and by returning other units to US. First Cavalry Division Army will be transferred to Korea in name only without transfer personnel concurrent with return to US 24th Infantry Division now Korea, also without personnel. (Target for this is October 15, 1957).

In view US agreement to consult with Japan regarding future withdrawals US forces and importance such information to Japan it is recommended that plan and related information outlined above be discussed with Prime Minister Kishi as soon as practicable on a confidential basis and a coordinated and timely press release worked out with Japanese authorities so as to serve best and mutual interest Japan and US.

Planned reduction US forces Japan will have an impact on combined US-Japan defense capability for defense of Japan. This situation should be reviewed with Japanese in light Security Treaty and its importance to Japan as well as the US. Thus in discussing withdrawal US forces with Japanese officials it is considered important to point out that there does not seem to be any firm program on part Japan to increase its defense capability on a timely basis to compensate for reduction US forces by June 30, 1958."

Dulles

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214. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, September 2, 1957—5 p.m.

626. For Secretary Robertson and Becker. Embtel 616.[2]

1. Foreign Ministry comments on draft in Deptel 501 follow and I hope I can have your reaction within next two or three days.

2. First para of our preamble overlooks fact that, in Article 5 of peace treaty, Japan has already accepted relevant obligations of UN Charter and that it is therefore inappropriate to refer to obligations

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[1] Source: Department of State, Central Files, 794.5/9-257. Confidential; Priority. Repeated to CINCPAC for POLAD and to COMUS Japan.

[2] In telegram 616 from Tokyo, August 31, MacArthur reported that he had given Ohno the draft contained in Document 212 and supported it with the explanation in Document 211. MacArthur also described his preliminary discussion of the new draft with Ohno and another Foreign Office official. (Department of State, Central Files, 794.5/8-3157)

which Japan would assume on becoming member of UN. Japanese therefore propose deletion of second and third sentences of this para and substitution of following: "it is the view of my government that the provisions of the Security Treaty and the Administrative Agreement were so drafted as to be fully compatible with the obligations contained in the United Nations Charter." (*Comment*: I do not see that this causes us any difficulty and it seems well taken to me.)

3. In our Para B, language used to refer "their international disputes", although taken from Charter (where it refers to all members) permits of interpretation in this context that it refers only to disputes between US and Japan and not to their respective disputes with third countries. Accordingly, Japanese propose to substitute "any international disputes in which they may be involved", which wording, they say, is uniformly used in our other collective security treaties. FonOff added that this change involved no changing of meaning of Charter. (*Comment:* This seems a definite improvement and avoids undesirable interpretations.)

4. Japanese had three separate comments on our para C:

A. Since we are referring to Article 51 of Charter, Japanese say it is important to use language used in that article. Term "hostilities" is not found there and "armed attack" and "measures" are. (*Comment:* on basis of Department's instruction I had stressed it important to stick closely to UN Charter language.)

B. As between Security Treaty and Administrative Agreement, provisions of former are controlling and nothing in Administrative Agreement can go beyond terms of treaty. Therefore in light of further consideration reference to Administrative Agreement is unnecessary and undesirable. (*Comment:* I assume we included reference to Administrative Agreement in our draft because Japanese did so in their original paper. Point referred to in first two sentences third para Embtel 616 was not mentioned in this conversation but it presumably still very much in their minds.)

C. Use of words "will act", as they appear in our draft, and against general public background of public ignorance of just what is in Article 51, has undesirable appearance of operative articles of our other collective security agreements (e.g. Article IV of SEATO Treaty.)

(*Comment:* GOJ very sensitive to reaction or inferences drawn by Japanese public opinion on this.)

Accordingly, Japanese proposing following wording in place of our para C: "Any measures which may be taken in the event of any armed attack against Japan from without, as referred to in Article 1 of the Security Treaty, shall conform to the provisions of Article 51 of the United Nations Charter."

5. Japanese believe that following language would be more appropriate for closing para than that in Deptel 501: "I would appreciate it if your government would confirm the understanding of my government as stated above."

6. Foreign Office would like exact text of our reply as soon as possible. Assume Department will send me such text concurrently with comments on above points. However, if this will cause delay prefer to have comments on Japanese proposals contained in this cable sent ahead of text our reply.

7. Will Department wish to make simultaneous release of exchange of notes in Washington? If so, would appreciate having as soon as possible text of any explanatory comments which Department would propose to make at time of release.

MacArthur

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215. Telegram From the Department of State to the Embassy in Japan[1]

Washington, September 4, 1957—3:31 p.m.

546. Embtel 626.[2]

1. Concur in amendments suggested paras numbered two and three reftel. With respect to former you may note that Japanese acceptance of obligations under UN Charter limited to Article 2 but redraft proposed by GOJ makes the point immaterial.

2. In para C of note suggest revision to read: "C. Measures which may be taken under Article I of the Security Treaty in exercise of the right of individual or collective self-defense against armed attack shall conform to the provisions of Article 51 of the United Nations Charter." Revision wholly consistent with Article 51 and you will note the right of "collective self-defense" which is broader than present Japanese conception. GOJ redraft has implication that Article I of Security Treaty is limited to "armed attack against Japan from without" particularly in light of comments on our draft referring to provisions of Article I of Security Treaty and Article XXIV of Administrative Agreement. Article I clearly contemplates measures contributing to the maintenance of international peace and security in the Far East in absence of attack on Japan. Believe Japanese point on Administrative Agreement

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[1] Source: Department of State, Central Files, 794.5/9-257. Confidential; Priority. Drafted by Becker; cleared with NA, FE, and the Department of Defense; and approved by Becker. Repeated to COMUS Japan and to CINCPAC for POLAD.

[2] *Supra.*

well taken since it deals merely with one of the situations contemplated by Article I of the Security Treaty and reference to it may be omitted.

FYI Realize that Japan not inclined at this time furnish forces or facilities in event hostilities not involving attack upon Japan. However as Japan assumes fuller international responsibilities this situation likely to change particularly if elected Security Council as now seems probable. End FYI.

3. Accept suggested revision suggested in para numbered five reftel.

4. With respect to para numbered seven reftel desire simultaneous release of exchange of notes in Washington. Will supply explanatory comment later.

Dulles

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216. Telegram from the Embassy in Japan to the Department of State[1]

Tokyo, September 4, 1957—6 p.m.

658. Re: Embtel 561.[2] Pass Defense. This is joint message from Ambassador MacArthur and Admiral Stump. Japanese-American Committee on Security held second meeting on morning September 4. Atmosphere was friendly and meeting was constructive.

Highlights were:

1. Cordial reception accorded Admiral Stump;
2. Admiral Stump's review of Far East military situation;
3. Provision of additional information on US plans for troop withdrawal and return of facilities.

Following is summary of meeting. Full report follows by pouch.

I

After Foreign Minister Fujiyama opened meeting by warmly welcoming Admiral Stump, Admiral Stump made presentation on agenda item no. 1, "Discussion of Military Situation in Far East in Relation to Defense of Japan". Admiral Stump reviewed in considerable detail

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[1] Source: Department of State, Central Files, 794.5/9–457. Secret; Priority. Repeated priority to CINCPAC for POLAD.

[2] See footnote 2, Document 213.

Communist threat and military strength in Far East, pointing out broad range of tactics presently used by Communists in effort to achieve their expansionist objectives. He noted strength of US and other free world forces in area opposing Communists, expressing view that free world at present stronger than Communists. Admiral Stump, however, stressed that Communist threat imposed heavy requirements on free world nations, particularly need to prepare own defenses and work together. In this connection, he mentioned continued US willingness to contribute to collective defense through disposition of our forces in Far East and assistance to free nations in area. Admiral Stump concluded his detailed presentation by emphasizing the particularly important role of Japan both as natural target of Communist threat and as nation capable of playing major part in own defense as well as defense of entire region.

Following presentation by Admiral Stump which was well received, Ministers Fujiyama and Tsushima expressed appreciation for his interesting and illuminating statement and asked questions related mainly to current Communist intentions. Fujiyama also inquired whether, in event of hostilities in Middle East or other area outside Far East, US forces in Far East would be deployed to these areas and thus weaken free world position in Far East. Admiral Stump replied that, while specific US actions would depend on situation at time, US could not afford to leave Far East area uncovered.

II

Vice Minister Ohno next summarized status of consultations regarding relationship between Security Treaty and UN Charter. Ohno reported two governments had been in consultation, and had agreed on procedures for exchange of notes, with hope that announcement can be made prior to September 14 departure of Foreign Minister.[3] Ambassador confirmed Ohno's report.

III

Defense Agency Director General Tsushima opened discussion of third agenda item on prospective withdrawals of US forces in Japan by expressing appreciation for information and explanations previously received on US planning. He reiterated desire for full advance coordination with Defense Agency on release of facilities and requested consultation, whenever necessary, outside committee between JDA and USFJ. Admiral Stump gave further assurance that US understands need for timely consultation and will continue current procedures for coordinating release of US facilities with Japanese agencies concerned. He then gave committee list of facilities projected for release prior to 30 June 1958, which had been previously furnished procurement agency by General Smith. He pointed out list excludes facilities for which needs of JDA or capabilities to take over at this time are still under study.

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[3] Foreign Minister Fujiyama visited the United States to attend the opening on September 17 of the Twelfth Session of the United Nations General Assembly and to talk with U.S. officials. He met with Dulles on September 23; see Document 229.

Admiral Stump informed committee of current US planning for reduction of forces in Japan. Using June 1, 1957 strength of 100,000 as reference figure, he estimated withdrawal to amount 40–45,000 leaving approximately 55–60,000 US military personnel in Japan on 30 June 1958. He emphasized projected strength figures are tentative, subject to modification and cannot be construed as US commitment. He also indicated considerable planning required before specific details on withdrawal are available but Japanese Govt will be given earliest possible advance notification as additional details become known. Both Fujiyama and Tsushima expressed gratitude for information on troop reductions, stating information will enable Japanese Govt to prepare measures to cope with situation. Fujiyama also inquired whether, in reply to Diet interpellations, government may now say US withdrawals will leave 55–60,000 troops in Japan rather than 80,000 which figure government has been using until now in Diet. Admiral Stump had no objections to use of 55–60,000 figure and it was agreed that General Smith and Ambassador MacArthur would discuss with Tsushima general terms of Diet reply to be used by Japanese Government.

At request of Japanese representative, Admiral Stump briefly explained organization of his command.

IV

Committee agreed to press release in Embtel 644.[4] It was also agreed that, in answer to any press inquiries, both sides would stick to text of press release and make no explanations.

At the conclusion of meeting, it was agreed that committee would not meet again before Foreign Minister Fujiyama departed on September 14 and that Ambassador MacArthur would consult with Foreign Ministry on plans for next meeting.

Passed COMUS Japan by other means.

MacArthur

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[4] Dated September 4, not printed. (Department of State, Central Files, 794.5/9–45

217. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, September 4, 1957—6 p.m.

654. This is joint message from Stump and MacArthur.

Begin message: We have just left second meeting of Japanese-American Committee on Security. In response to request made in first meeting, CINCPAC had prepared secret statement to submit to committee re total troop withdrawals schedule for balance of fiscal year. Japanese members of committee had been previously impressed with classified nature such info, and it therefore was extremely embarrassing to US side to have morning editions of Japanese newspapers headlining a statement reputedly by a high official in Washington on same subject.

This particular serious incident is one of many which have repeatedly hampered efforts of our State and Defense Department personnel in Far East area. At a point in time when our negotiations with Far East countries are in delicate and critical state, ill-timed announcements from Washington are not only embarrassing but they seriously prejudice our attainment of recognized national objectives.

This was brought to attention State Dept in message sent this date by Ambassador (Tokyo Embtel 643).[2]

We recommend strongly that subject be brought to attention of all civilian secretaries in Dept of Defense and in three service depts, as well as key military personnel in those depts. Similar steps should be taken with appropriate personnel within Dept of State and NSC. *End message.*

Adm Stump is sending this message to Defense through his own channels.[3]

MacArthur

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[1] Source: Department of State, Central Files, 794.5/9–457. Confidential; Priority. Repeated to COMUS Japan and to CINCPAC for POLAD.

[2] In telegram 643 from Tokyo, also dated September 4, marked "For Robertson", MacArthur stated that recent newspaper stories were "undermining our basic objectives in Japan as laid down by President and NSC." One such story appearing in Tokyo September 2 had attributed to "top American officials" a statement that they were hoping U.S. force reductions in Japan would spur the Japanese Government into stepping up its rearmament pace. On September 4, morning papers carried a story attributed to "a highly reliable source" in Washington which referred to that day's Security Committee meeting and then revealed the "information which Admiral Stump is going to convey to Japanese in Security Committee today." (*Ibid.*, 794.5/9–457)

[3] Telegram 654 to Tokyo, [illegible] Distribution", "No Distribution Outside the Department", and "For Ambassador from Robertson". It reads as follows:

Continued

218. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, September 6, 1957—Noon.

700. Yesterday I conveyed to Ohno info contained Deptel 546[2] and he expressed deep appreciation for Dept's speedy action.

Foreign Ministry today gave us following three questions on which they said they would appreciate having urgent clarification.

1) "Measures which may be taken under Article I" in our draft can, they say, refer only to measures taken by US since those are only type of measures referred to in Article I. Both our first draft (Deptel 501)[3] and their redraft were so worded as to comprehend measures by Japan as well as by US. Their wording accomplishes this by having reference to Article I tied to "armed attack against Japan" instead of to "measures". Japanese ask whether our intent is to refer only to measures by US.

2) Second question relates to use of term "collective self-defense". Use of armed forces under UN Charter must be justified either as individual self-defense or as collective self-defense. If US forces are used in defense of Japan, in association with Japanese forces, would we, Foreign Ministry asks, consider such use as exercise of right of collective self-defense of US, in meaning ascribed by US to that term in its mutual security arrangements with other countries? Security Treaty deliberately did not contain any obligation by US. It simply said our forces "may be utilized", nor did Japan make any commitment in relations to defense of US. Ministry asks whether we intend to give this exchange of notes implication of mutual security obligations which are in our mutual security treaties with other countries. If so, Ministry said, such an interpretation would be unilateral US interpretation since GOJ could not legally, until constitution is revised, assume obligation to help defend US.

3) Third point relates to our omission of phrase "against Japan" after "armed attack". Ministry asked if it was our intention to draw attention in exchange of notes to possibility of armed attack against areas other than Japan. This would be departure from our first draft

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"Reftel [telegram 643] arrived during my absence on leave. Upon investigation astounded to find that initial discussion with press which led to development of story occurred in Department State. Officer in question has been vigorously reprimanded. In addition the entire FE staff has been warned of the seriousness of this type thing and instructed to handle conversations with representatives of press with full and adequate protection all classfied information.

"With regard to general question of information leaks in Washington, Secretary took occasion in meeting with Secretary Quarles to express serious difficulties created by leaks in statements by officials which have not been cleared interdepartmentally. He pointed out that frequently such leaks place us in impossible positions." (*Ibid.*, 794.5/9–457)

[1] Source: Department of State, Central Files, 794.5/9–657. Confidential; Niact. Repeated to COMUS Japan and to CINCPAC for POLAD.

Document 212.

and from their draft, both of which referred only to Japan or to Japan area. On this point, we said that language was intended to cover all situations which might arise under Article I of security treaty. Their response was that from domestic political point of view, it would do great damage to US-Japanese relations and their efforts to work more closely with US in defense matters to call attention at this time to possible unilateral use of US forces in Japan for "maintenance of international peace and security in Far East".

Comment: I fully agree that we should not include language which would change nature of existing agreements with Japan. On other hand, it certainly does not serve our own interests to draw attention to possible unilateral use by US of its forces in Japan for purposes not directly related to defense of Japan area. Such action would create major problems for us in immediate future. Furthermore attack against Japan is at present only situation in which Japan's forces would be involved and hence in which Japan would be reporting measures to UN.

Department will be able either to devise language which will meet points which Japanese have raised or to accept language proposed by Japanese for para C (as given in Embtel 626)[4] which does not seem to alter existing agreements.

MacArthur

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[4] Document 214.

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219. Telegram From the Department of State to the Embassy in Japan[1]

Washington, September 7, 1957—1:46 p.m.

579. Ref. Embtel 700.[2]

1. Re argument in para 1 reftel, Security Treaty, particularly when read together with implementing Administrative Agreement contemplates measures by Japan as well as by US. Article XXIV makes this explicit and Japanese argument set out in Embtel 626[3] para 4B is to effect that Administrative Agreement cannot go beyond terms of

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[1] Source: Department of State, Central Files, 794.5/9–657. Confidential; Priority. Drafted by Becker, cleared in NA and FE, and approved by Becker. Repeated to COMUS Japan and to CINCPAC for POLAD.

[3] Document 214.

Treaty. Tying reference to Article I to "armed attack against Japan" either means that Japan no longer agrees to use of US forces in Japan to contribute in any way to "maintenance of international peace and security in the Far East" or that US contemplates use of its forces for this purpose not in conformity with Article 51 of the Charter. Either meaning wholly unacceptable. In answer to Japanese question our intent is to refer to any measures which can be taken under the Security Treaty and such measures include action by Japan as well as by US. In Japan's own interest Japan may find it advisable to take action to maintain peace in Japanese area or Far East area even though hostilities do not involve attack upon Japan at moment.

2. With respect second question note that Security Treaty is "collective security" arrangement in light of third para of preamble and Article IV referring to "alternative individual or collective security dispositions" which contemplates "maintenance of international peace and security in the Japan area". This is reinforced by Article XXIV of Administrative Agreement contemplating "joint measures for the defense of" the Japan area. Measures taken by Japan to these ends regarded here as measures of "collective self defense" in no way inconsistent with Japanese constitution. Moreover Japan by joining UN recognized right of collective self defense for itself and others.

3. With respect third point you were correct in noting language was intended to cover all situations which might arise under Article I of Security Treaty and while we have no desire to embarrass GOJ from domestic political point of view, we cannot agree to language which would imply Japan unprepared to carry out Security Treaty as written or that US would take measures under Security Treaty inconsistent with its obligations under Article 51 of Charter. Also do not desire Japanese people to be misinformed as to scope of Japanese obligations already undertaken as this might hamper development of spirit of international cooperation.

4. Suggest as revision which would eliminate all foregoing questions, and should be consistent with Japanese political situation, the following wording for para C of note: "C. Measures which may be taken under the Security Treaty, including those which may be taken under the Administrative Agreement entered into thereunder, shall conform to the applicable provisions of Article 51 of the United Nations Charter." If Japanese inquire why "applicable" included you may note that some things covered by Treaty and Agreement unrelated to Article 51 and that measures may be taken under Article XXIV of the Administrative Agreement in anticipation of hostilities which

need not be reported to the United Nations under Article 51 which are applicable only "if an armed attack occurs against a member of the United Nations."

Dulles

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220. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, September 9, 1957—9 p.m.

723. Deptel 579.[2]

1. We gave new para C and Department's comments to FonOff, carefully explaining rationale of collective security arrangements and consistency of "collective self-defense" concept with both Security Treaty and with Japanese UN membership.

2. FonOff points out that our new wording of para C has grammatical, and therefore legal, difficulty. Our language seems to mean that *all* measures taken under Article 1 of treaty are subject to some end (i.e. "applicable") portion of Article 51 of Charter. What we mean to say, FonOff believes, is that *some* of measures which may be taken under Article I of Security Treaty are subject to *all* provisions of Article 51. FonOff foresees difficulty in explaining exact meaning of our new language of para C unless this question is clarified.

Although appreciating Department's effort to meet their difficulties with our previous language, Japanese believe that our newest language, as it refers to "measures", is too broad, since measures taken under Article I such as disposition of forces do not come within Article 51. Moreover, they say, general public, being unfamiliar with Charter, will not know what para C is about unless there is reference to "armed attack".

4. In order avoid all these difficulties, and at same time give expression to substance of our proposal, they have now taken language of our second draft of para C (as given in Deptel 546)[3] and they have deleted "under Article I of Security Treaty" as well as phrase "individual or collective". (Notwithstanding explanations given them, FonOff is still concerned at possibility that inclusion of term "collec-

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[1] Source: Department of State, Central Files, 794.5/9–957. Confidential; Niact. Repeated niact to CINCPAC for POLAD. Received at 8:38 a.m.

[2] *Supra.*

[3] Document 215.

tive self-defense" will give rise to Diet questioning and debate as to whether GOJ has taken on new commitment. FonOff thinks government could handle this but prefers to avoid it if possible.) Their new proposal for para C thus reads "measures which may be taken in exercise of the right of self-defense against armed attack shall conform to the provisions of Article 51 of the United Nations Charter."

5. I think that, if we press them hard, Ministry will accept inclusion of "individual or collective self-defense" in their latest proposal in preceding sentence, provided we can meet point in para 2 above. On other hand, if Department believes latest Japanese formulation contained in para 4 above safeguards our interests, it would be very helpful to GOJ in their handling of problem and therefore also in our interest for UN to accept it.

6. Much appreciate rapid action which Department has been taking on each successive round of this exchange.

Passed COMUSJapan by other means.

MacArthur

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221. Telegram From the Department of State to the Embassy in Japan[1]

Washington, September 9, 1957—6:23 p.m.

586. Embtel 723.[2]

1. Re question raised in para 2 reftel any possible ambiguity removed by rewording para C to read: "C. Measures which may be taken under the Security Treaty including those which may be taken under the Administrative Agreement entered into thereunder, shall conform to the provisions of Article 51 of the United Nations Charter, insofar as such provisions are applicable thereto." That was intent of para contained in Deptel 579,[3] but recognize possibility of alternate interpretation. Above form expresses Japanese interpretation as set out in third sentence para 2 reftel.

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[1] Source: Department of State, Central Files, 794.5/9–957. Confidential; Priority. Drafted by Becker, cleared in NA and FE, and approved by Becker. Repeated to COMUS Japan and to CINCPAC for POLAD.

[2] *Supra.*

[3] Document 219.

2. Revised clause as set out in para 4 reftel, even if amended per your suggestion para 5 reftel, is not consistent with either Article 51 of Charter or Article I of Security Treaty. Note Article 51 refers to "self defense if an armed attack occurs against a member of the United Nations" rather than merely "self defense against armed attack." With reference Article I of Security Treaty, as previously emphasized, contribution to maintenance of international peace and security in the Far East is not necessarily contingent upon an armed attack. In view of wording of Security Treaty, latest Japanese proposal "self defense against armed attack" may imply armed attack against Japan only.

3. With reference to question raised in last sentence para 2 reftel we are troubled by fact that reference to "armed attack" in para C will lead Japanese public to believe that use of United States forces "to contribute to the maintenance of international peace and security in the Far East" is being dropped from the Security Treaty by interpretation.

4. Since our revision should take care of Japanese concern as expressed reftel, we would prefer to limit discussion to it rather than to deal with distinctly different latest Japanese para C set out in para 4 reftel.

Dulles

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222. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, September 10, 1957—Midnight.

747. Reference: Deptel 586.[2]

1. We put Department's revised para C language to FonOff and explained difficulties found with Japanese proposal in para 4 Embtel 723.[3]

2. Later today Ohno said that, after consultation with Fujiyama, they would be agreeable to our language but urged one slight change which, they thought, expressed more precisely meaning we intended to convey. This change is to substitute "whenever" for "insofar as" in final clause. Their reasoning was that our wording was susceptible of

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[1] Source: Department of State, Central Files, 794.5/9-1057. Confidential; Niact. Repeated to CINCPAC for POLAD.

[2] *Supra.*

[3] Document 220.

meaning, and particularly so when translated into Japanese, that provisions of Article 51 are *always* applicable to some extent to all "measures". Their wording, they believed, made it clear, without changing meaning that provisions of Article 51 of Charter applied only to *some* of measures contemplated by Article I of Treaty, e.g. Article 51 would not apply to measures short of hostilities or to disposition of our forces in Japan.

3. We said we thought that broad use of our term conveyed same thought as Japanese change, but that we would refer proposed change to Department. We would appreciate urgent confirmation, if it is acceptable, if possible to reach us in time to convey to Foreign Ministry prior to noon meeting Thursday Tokyo time of Administrative Vice Ministers' weekly conference, at which entire text must be approved if it is to receive Cabinet approval Friday in time for signature Saturday. (Fujiyama departs Saturday[4] for New York.)

4. Tentative time for signature of exchange of notes is 9:00 am Saturday morning Tokyo time, with simultaneous release in Tokyo and Washington at that hour. We recognize this is not very convenient hour for Washington release but hope it can be managed. (Release earlier in day in Washington to be held until that hour will make trouble for us here because stories will be sent back to Tokyo before signature has actually taken place.) Would appreciate confirmation that proposed timing is acceptable and we will in turn confirm to Department when final arrangements made.

5. FonOff concurs with text of our draft reply as given Deptel 561[5] and will make explanatory comment substantially similar to text in para 2 Deptel 561.[6]

Passed COMUSJapan by other means.

Allison

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[4] September 14.

[5] Dated September 5, not printed. (Department of State, Central Files, 794.5/9–257)

[6] Telegram 600 to Tokyo, September 10, sent in reference to telegram 747, reads as follows:

"1. Accept substitution 'whenever' for 'insofar as' in final clause para C as suggested Japanese accordance para 2 reftel. FYI complexities of Japanese language beyond us. End FYI.

"2. Also agree proposed timing simultaneous release accordance para 4 reftel." (*Ibid.*, 794.5/9–1057)

For text of the Understanding on the Interpretation of the Security Treaty and the Administrative Agreement with respect to the Charter of the United Nations, effected by an exchange of notes signed at Tokyo September 14, 1957, see TIAS 3910; 8 UST (pt. 2) 1571. For text of the Department's press release issued September 13 (Washington time), see Department of State *Bulletin*, September 30, 1957, p. 534.

223. Memorandum From the Director of the Office of Northeast Asian Affairs (Parsons) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, September 13, 1957.

SUBJECT

Fujiyama Visit—Defense Proposal to Japanese to Substitute Reimbursable Aid, Payment in Yen, for Present Military Assistance Program Aid

On December 17, 1956, in a joint State–Defense–ICA message (DEF 915079 attached as Tab B)[2] a proposal, originating in the Defense Department, was submitted for comment to CINCFE and Embassy, Tokyo, the key element of which would be a) the purchase by Japan under the reimbursable aid provisions of the Mutual Security Act of the equipment needed to meet its force goals (instead of the furnishing of such equipment as U.S. grant-aid), b) payment by Japan for such equipment in yen, and c) the use of such yen receipts by the U.S. to procure in Japan items needed for Military Assistance Programs (MAP) in other Asian countries.

A joint Embassy/CINCFE/MAAG–Japan reply of April 30, 1957 (FE 804868 attached as Tab C)[3] strongly expressed the view that this proposal would not accomplish the goals of inducing a higher level of Japanese defense expenditure, achieving a sound and mutually satisfactory military relationship with Japan, and developing and utilizing Japanese defense production facilities to meet Asian MAP requirements. The Embassy and CINCFE pointed out that a substantial reduction or termination of grant aid would probably result in unwillingness on the part of Japan to appropriate the larger sums required to meet the force objectives of the six-year plan. They also believed that the advantages of using yen instead of dollars for reimbursable aid would be small and the disadvantages to the U.S. might be substantial, since the Japanese would probably consider such a proposal favorable only if assurance could be given that the yen used for U.S. procurement in Japan would be additional to the amounts the U.S. would otherwise spend for procurement in Japan. Furthermore, they believed, Japan might demand a greater voice in the procurement for which yen is used than it has with respect to current procurement. The Embassy and CINCFE recommended that the present gradual substitution of reimbursable aid (on a dollar basis) for grant aid be continued and that the current applicable U.S. policies be effectively carried out by procurement in Japan of items and services required for Asian MAP and U.S. forces in Asia when such procurement is to U.S. advantage.

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[1] Source: Department of State, FE Conference Files: Lot 60 D 514, Fujiyama Visit. Confidential. Drafted in NA on September 11 and concurred in by U/MSA.

[2] Not found attached and not printed. (Department of Defense Files)

[3] Not found attached and not printed. (*Ibid.*)

Since receipt of the April 30 message this proposal has not been discussed with this office by any representative of the Defense Department.

Deputy Assistant Secretary of Defense Shuff met in June with Admiral Hoshina and Mr. Uemura of Prime Minister Kishi's party and with Mr. Kaihara of the Japanese Defense Agency to discuss certain matters of mutual interest. Our first knowledge of these meetings came from a telegram from Embassy Tokyo of August 5 (Tab D)[4] reporting that during these discussions the Japanese were told that beginning with USFY1959 MDA grant aid to Japan would be drastically reduced and that Japan would be expected to proceed on the basis of reimbursable aid with payment in yen which the U.S. would use for procurement in Japan of military equipment for third countries in Asia. The Embassy reported that this had caused great confusion, deep concern and considerable press comment in Japan, leading to the querying of the Prime Minister, himself, on August 1 by the Foreign Affairs Committee of the Upper House of the Diet.

In response to the Embassy's telegram a joint State–Defense message was sent on August 8, cleared by Mr. Shuff, stating that no proposals were made at the meetings with the Japanese, and that no such plan had been developed by the U.S. Government nor discussed officially with the Japanese (Tab E).[5]

On August 23 Mr. Yasukawa, Counselor of the Japanese Embassy, came in to inquire if the U.S. was seriously intending to discontinue MAP aid to Japan. He said that Mr. Shuff's "proposal" had disturbed the Japanese Government, which had based its Three Year Defense Plan on the assumption that MAP aid would be the source of certain items. (Memorandum of Conversation attached as Tab F.)[6]

Meanwhile at an inter-departmental meeting on the FY1958 programs, in response to FE questions regarding provision for a follow-on aircraft production program in Japan and the significance of "deferment" of a large portion of the Japanese program, Defense representatives referred to the "proposed package triangular deal discussed with members of the Kishi party" as related to plans for aid to Japan. (Memorandum attached as Tab G.)[7]

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[4] Telegram 315 from Tokyo, August 5, not printed. (Department of State, Central Files, 794.5-MSP/8-557)

[5] Telegram 311 to Tokyo, August 8, not printed. According to a typed notation on this telegram, it was cleared with Shuff in draft. (*Ibid.*, 794.5-MSP/8-557)

[6] Martin's memorandum of his conversation held August 23 with Takeshi Yasukawa is *ibid.*, 794.5-MSP/8-2357.

[7] Not found.

Further investigation by NA revealed that the yen reimbursable aid arrangement had been strongly recommended to the Japanese by Mr. Shuff during his May and June conversations with them. (Excerpt from stenographic record of Mr. Shuff's conversation with Mr. Kaihara attached as Tab H.)[8] It is easy to see how a suggestion of this kind made by a Deputy Assistant Secretary of Defense would be considered by the Japanese to be an official proposal.

An official–informal letter of August 27 and a telegram of September 10 (Tabs I and J)[9] from Embassy Tokyo again refer to the confusion caused by this proposal and the Embassy's efforts to assure the Japanese that no such proposal had been made. Our Ambassador also reports that Foreign Minister Fujiyama intends to raise the matter with both State and Defense during his forthcoming visit.

It is apparent that this suggestion made unilaterally to the Japanese by Defense officials has caused unnecessary confusion and concern in the Japanese Government. This is particularly unfortunate in view of the fact that the proposal has not been fully considered or approved by all U.S. Government agencies concerned. Therefore, I believe that it is imperative that the problem be brought to the attention of Assistant Secretary of Defense Sprague with the request that the Defense Department cooperate fully in clarifying the matter with Minister Fujiyama and that in future such proposals be appropriately cleared before being presented to the Japanese.

Recommendation:

It is recommended that you sign the attached letter to Assistant Secretary Sprague enclosing for clearance a proposed position paper for use in discussions with Minister Fujiyama (Tab A).[10]

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[8] Not found.

[9] Tab I was not found. Tab J was a copy of telegram 730 from Tokyo, September 10, in which the Embassy pointed out that the information given Martin by Yasukawa on August 23 contradicted the assurances contained in telegram 311 (cited in footnote 5 above) and that Japanese officials still hoped to obtain further clarification. (Department of State, Central Files, 794.5-MSP/9-1057)

[10] Robertson signed the letter, which is dated September 14. In it he reviewed the matter along the lines outlined above and concluded: "In order to avoid future misunderstandings of this kind, I urge that in the future care be exercised by members of your staff in their discussions with Japan officials and prominent Japanese citizens and that they refrain from making proposals or suggestions of a basic nature which have not been fully cleared within this Department and other interested United States agencies." The draft position paper, enclosed with the letter but dated September 13, contained the following paragraph: "Although certain individuals may have given thought to the possibility of such an arrangement, no plan for the replacement of grant aid by the sale of military equipment to Japan for yen which would be used by the U.S. for third country military procurement in Japan has been developed by the U.S. Government." (Both *ibid.*, 794.5-MSP/9-1457) The position outlined in this paper is marked for discussion at Japanese initiative only; Fujiyama apparently did not raise this question.

224. Letter From the Assistant Secretary of Defense for International Security Affairs (Sprague) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, September 18, 1957.

DEAR WALTER: Thank you for your letter.[2] It has served to focus our attention on the pressing Japanese problem. A Defense proposal for the U.S. position on this subject is being prepared. I am taking this opportunity to respond to the subject matter of your forwarding letter.

The talks which Jack Irwin and Charley Shuff had with Admiral Hoshina, Mr. Uemura and Mr. Kaihara in June centered around the prospects of increased U.S. orders for Japanese industry, at their suggestion. During these talks many problems were discussed with Mr. Uemura, as a representative of Japanese industrial interests, ranging from U.S. funds available for MAP and OSP to the balance of Japanese defense efforts, requirements and capabilities. Various ways and means were also discussed which might lead to a Japanese proposal for the solution of these problems. While all of the subject matter was in consonance with the basic U.S. policies for Japan, the framework of our discussions was such that no U.S. proposal was or could have been made.

For some years now, you have shared our concern that Japan has not been willing to contribute more than 1½% of its GNP to its defense effort especially, as indicated in your letter, when the future portends a continuous reduction in Military Assistance appropriations. In view of our concern for the best interest of Japan's military effort, as well as other countries in a similar fix (short of dollars), we proposed legislation, which Congress passed, that will permit them to procure their military requirements with local currency. This legislation would enable Japan to buy her military requirements under Section 103(c) of the MSA as amended, for 1958, should she wish to do so.

This concept as outlined in your letter is not new; it has been discussed with staff members within the Department of State, ICA, Treasury, and the BOB since November 1956, and was forwarded to the Department of State as a Department of Defense position paper for the Kishi talks.[3] Also last June when returning to Washington from the "Quantico Weekend," I had the opportunity to discuss this idea with Mr. Dulles, who appeared quite interested in its possibilities.[4]

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[1] Source: Department of State, Central Files, 794.5–MSP/9–1857. Confidential.

[2] See footnote 10, *supra*.

[3] Not found.

[4] Reference is to the "Secretaries' Conference" held at Quantico, Virginia, the weekend of June 15–16.

We believe you will agree that since U.S. legislation allows Japan, or any other country for that matter, to procure military requirements for local currency, it behooves the U.S. to utilize the generated local currency to its best advantage. A yen fund could be used to procure other MAP Far East requirements in Japan, thereby enhancing its military production base, providing jobs for the thousands being laid off because of the withdrawal of U.S. forces and introducing Japanese products to other Asian countries.

We know of no change in MAP policy toward Japan; however you are quite aware that there is a $500,000,000 reduction in MSA appropriations for FY 1958, and when the U.S. apportions its limited resources to the most urgent world-wide defense priorities, Japan, in view of its expanding economic and industrial capability, can hardly expect that prior levels of U.S. aid will be maintained. In view of these same considerations, Defense is seriously considering the possibility of offering military assistance to Japan on a reimbursable aid basis.

Consequently, it would appear to be particularly opportune when Fujiyama and Ichimada visit Washington next week, to establish a climate that might elicit a Japanese proposal along the line we have suggested, particularly since it is known that they have been giving this matter serious consideration.

It is hoped that this letter relieves your concern and that we can further discuss the broad aspects of this concept personally before Fujiyama visits Washington next week.[5] It is suggested that our position be developed after we have had an opportunity to discuss this matter with you.[6]

Sincerely yours,

Mannie

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[5] No indication that such discussions took place has been found in Department of State files.

[6] See Document 234.

225. Airgram From the Department of State to the Embassy in Japan[1]

A–158 *Washington, September 19, 1957.*

SUBJECT

Ryukyuan Land

During the discussions in June with Prime Minister Kishi, he raised the problem of land utilization in the Ryukyus and suggested that the United States make every effort to alleviate the land shortage. He mentioned specifically the possibility of emigration of Ryukyuans to islands in the Trust Territory of the Pacific Islands, such as Saipan or Tinian. The Secretary replied that a close review of United States land requirements was under way and that the possibility of Ryukyuan migration to other areas, such as the Trust Territory, would be studied.

The Department has explored the suggested Ryukyuan migration to the Trust Territory of the Pacific Islands and has come to the conclusion that it is not feasible and should not be attempted. In pursuing this matter, the views of the Department of the Interior, which has the responsibility for administering the major part of the Trust Territory, and the High Commissioner of the Trust Territory were sought. Interior objected for the following reasons:

1. Under the Trusteeship Agreement[2] the U.S. is obliged to protect the inhabitants against the loss of their lands. In pursuance of this obligation the acquisition of land by persons other than native inhabitants is prohibited.

2. Since 1947 the population has increased from an estimated 47,000 to 65,000. With continued improvement in health and sanitation an even greater increase may be expected in the immediate future, particularly since the population is a relatively young one.

Of the 687 square miles of land in the Trust Territory only about half of it is considered arable. Some islands are already overpopulated and with the anticipated increase in population lands not currently in use will be needed by the local inhabitants.

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[1] Source: Department of State, Central Files, 794C.0221/9–1957. Secret. Drafted in NA on September 6; cleared in ODA, FE, and the Department of Defense; and approved by Robertson.

[2] For text of the Trusteeship Agreement for the former Japanese-mandated islands in the Pacific, designating the territory as a "strategic area" and the United States as administering authority pursuant to the provisions of Chapter XII of the U.N. Charter, see TIAS 1665; 61 Stat. (pt. 3) 3301.

3. The stated policy of the Department of the Interior is to reserve to the Micronesians, to the greatest extent possible, the development of the natural resources and commercial opportunities of the Territory in order that the maximum monetary return may accrue to them. Economic resources in the territory are limited and any Okinawans brought into the territory would be in direct competition with the Micronesians. The latter have not yet acquired sufficient economic and commercial acumen to withstand such competition. Not only would resentment arise but also the policy of promoting the economic interests of the Micronesians would be undermined.

4. The introduction of a minority element into the population at this time could be expected to create social problems and to affect the political development program. Migration of Okinawans for permanent settlement would be regarded by the Micronesians as a direct threat to the economic, social and political life that the Micronesians have become used to since the war.

The Department of Defense, which administers Saipan and Tinian through the Department of the Navy, continues to object to the entrance into the Trust Territory of any foreign national on security grounds.

Additional objections foreseen by the Department are:

5. Under the Trusteeship Agreement the United States is obligated "subject to the requirements of security and the obligation to promote the advancement of the inhabitants" to "accord to nationals of each member of the United Nations and to companies and associations organized in conformity with the laws of such member treatment in the Trust Territory no less favorable than that accorded therein to nationals, companies and associations of any other United Nation, except the administering authority." Japan is a member of the United Nations and privileges extended to Ryukyuans, who are Japanese nationals, might create a precedent which all United Nations members could claim.

6. Almost 4,000 Ryukuan families (over 20,000 people) who formerly resided in the Trust Territory would like to return there. It would be almost impossible to permit a part of this group of people to move to the Trust Territory without opening the door to endless agitation for more migration. It would seem to be a case of all or none—and the Trust Territory clearly cannot take all of them.

The Departments of State and Defense are continuing to examine possibilities for Ryukyuan emigration to other areas.

The Department of Defense has reported on the review of United States land requirements in the Ryukyus as follows:

As a result of this review, the estimate of total United States requirements was reduced from upwards of 56,000 acres to within the 52,088 previously authorized by the United States Congress. More than 300 acres of land previously acquired were returned to the local economy between 1 July and 31 December 1956.

The United States has been following and will continue to follow the policy of outgranting, for no cash compensation, all land included in its holdings to the extent that this is compatible with United States utilization and security requirements. On 31 December 1956, United States holdings of acreage remaining arable were calculated at 7,505 acres. Farming was permitted on 6,389 acres; this constitutes 85 percent of the acreage held which remains arable.

On 14 August 1957, Commander Naval Operations directed Commander Navy Forces Japan to dispose of Yonabaru airfield site as excess land. In accordance with the most conservative policy and economy in United States land utilization, a requirement for additional land to build an airstrip on Miyako Island was cancelled.

Reappraisal of the land situation resulted in greater land values as well as lesser acreage needs. Based on these reappraisals, landowners are being given, in lieu of annual rentals, a cash payment a great many times more than the annual rent for the full use of their property. In Fiscal Year 1957, funds in the amount of $2 million for resettlement expenses incident to displacement of landowners, and $10 million for long-term land acquisition were made available to the field commanders. Funds, in addition to the amount previously authorized by the United States Congress, will be requested for land acquisition previously authorized.

The keystone of United States land policy in the Ryukyus is to keep United States holdings to an absolute minimum consistent with United States military missions in the area. In the furtherance of this policy every effort is being made to minimize requirements. Such efforts include joint service utilization of facilities, multi-story construction, and location of facilities on non-arable land. General Lemnitzer, earlier this year, told the Ryukyuans that this program is working "to the mutual benefit not only of the landowners, but of the Ryukyuan people in general, as well as the United States, and should usher in a period of greater prosperity and increasing well being in the Ryukyu Islands."[3]

On the basis of the Department's exploration of the Ryukyuan emigration question and Defense's survey of United States land holdings in the Ryukyus, you are instructed to inform the Japanese, at a time and in a manner of your choice, that: (1) The United States is examining all possibilities for Ryukyuan emigration and attempting to stimulate it wherever possible. After careful consideration, the United States has come to the conclusion that no exception should be made in the case of the Ryukyuans to the general rule prohibiting migration into the Trust Territory of the Pacific Islands. (2) The keystone of United States land policy in the Ryukyus is to keep United States holdings to an absolute minimum consistent with the United States military mission in the area. To this end, a survey has recently been conducted which resulted in a further reduction of United States land holdings.

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[3] Quoted source not identified.

You are authorized to use the material appearing in this instruction in your presentation to the Japanese. Any connotation that the United States is obligated to provide the Government of Japan with reports on the activities of the United States administration of the Ryukyus should be avoided.

Murphy

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226. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, September 20, 1957—10 a.m.

862. For Secretary from Herter.[2] I had a very good and frank talk with Kishi September 18. Following is summary:

Kishi said Fujiyama would present views of GOJ when in Washington but meanwhile he would like touch briefly on Japanese domestic political situation, US-Japan trade, SEA development, return of limited number Bonin Islanders, and Japan's relationship with Republic of Korea.

Kishi said on his return from US he had carried out cabinet reshuffle, developed new policies and had completed drawing up basic principles for FY 1958 budget. These steps had been taken in hope present government would be able stay in power for long time and thus stabilize Japanese domestic political situation. Special Diet session would be convened November 1 for brief period at which time he would explain new government policies. Following Diet session, Kishi said he hoped make another trip to Southeast Asian countries including Australia and New Zealand for period of about three weeks.

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[1] Source: Department of State, Central Files, 794.00/9–2057. Confidential; Priority.

[2] From August 23 to September 22, Herter and Ambassador James P. Richards, former Chairman of the House Foreign Affairs Committee, traveled to East Asia primarily to attend the Malayan independence celebrations, August 29–31. During the trip they also visited Manila, Saigon, Rangoon, Bangkok, Hong Kong, Taipei, Okinawa, Seoul, and Tokyo (August 18–20). Documentation on the entire trip is *ibid.*, Conference Files: Lot 62 D 181, CF 899 through 905A. The report on their stop in Japan is in despatch 344 from Tokyo, September 20. (*Ibid.*, Central Files, 110.12–HE/9–2057)

Kishi stated in present domestic political situation primary problem was stabilization of economic situation, particularly international balance of payments. Balance of payments had deteriorated since last year and in late spring government had been forced take measures to stabilize situation. These measures included curtailment imports and "tight" money policy. As of now it appeared steps taken by government have to some extent been successful.

Kishi went on to say another problem in domestic situation was constitutional revision. More than year ago Diet had passed law to establish constitutional revision council. However, because of Socialist refusal to join, council had delayed commencing operations. In July this year he had finally set up council with members chosen from LPD and leading citizens in nongovernmental activities. Council had met once during August, and he hoped its final recommendations could be made basis for constitutional revision.

Kishi stated another problem was matter of labor policy. Since war Japanese labor had been inclined engage in "excesses" which had produced rather difficult situation. He was attempting establish equitable relationship between labor and management, and on this basis was planning take series of steps to curb "labor excesses". One characteristic Japanese labor problems was large SOHYO organization, similar to American CIO, which was to great extent controlled by leftist elements. Within SOHYO organization there was large group government and public service unions including Japanese Teachers Union which could command majority. Unfortunately SOHYO organization placed primary emphasis on political objectives. Every year SOHYO engaged in national strike campaign in March timed coincide with end of Japanese fiscal year. During SOHYO campaign last spring government took firm position in weeding out those persons who violated labor laws. Government believes labor should confine activities to economic objectives, but political action by labor required government counter-measures. He said SOHYO is complaining against disciplinary action taken by government and he felt firm measures of government are gradually weakening SOHYO power. SOHYO still claims it will launch nationwide strike in October, but there is reason to believe fall campaign will not have support of people.

Kishi said government wanted take corrective action against SOHYO within framework existing laws. In past there had been tendency ignore full implementation existing laws for fear labor would accuse government of unduly repressive measures. Among other things government determined to stop check-off system union dues for government workers which will be done within existing legislation. In addition government also studying possibility amendment labor laws and when this study completed appropriate action will be taken.

With regard to Socialists, Kishi stated this party divided into two—left wing is supported by SOHYO and other by more conservative labor elements. In views of divided situation, Socialists do not have strength to wage long struggle against government. Partly in order compensate for its relative unpopularity and distract people from domestic issues, Socialists are sending two different missions to USSR and US.

Kishi stated JCP was also divided in [*to*?] such an extent it is now finding difficulty in convening party convention. Government is now prosecuting certain financial sources of JCP in hope of depriving Communists of large part of funds. It suspected that JCP receives financial assistance from Communist China and USSR and government is making careful study of this problem.

On subject of US-Japanese trade, Kishi said it is axiomatic Japan must trade to survive, and he emphasized US is Japan's largest market for finished goods as well as source raw materials. Any disturbance in this market would have serious effect on Japanese economy. He pointed out Japanese imports from US exceeded exports by considerable margin, thus placing strain on Japanese dollar reserves. Unfortunately, there were various movements within US to restrict Japanese imports; these movements constitute irritant in US-Japan relations. At same time he expressed appreciation for friendly and firm attitude taken on this problem by US Government. Nevertheless, he expressed particular concern since next year is off-election year in US and feared that certain pressure groups might try to bring about restrictions. He stated Japan doing its best to avoid over concentrating on certain types exports to US which were competitive with US domestic industries. Japan was doing its utmost to provide orderly flow exports to avoid further aggravation of situation.

Kishi said restraints in Japanese imports by US would also seriously affect Japan in its trading with other countries since it would encourage other countries to do likewise. For this reason, from Japanese viewpoint US restrictions meant in effect restrictions throughout world which would immediately affect Japan's economic life and its ability to earn living.

Kishi said Japanese business circles believed it might be desirable establish nongovernmental consultative committee composed of US and Japanese businessmen to iron out differences and take proper preventive measures to prevent these differences from coming to head. He understood such committee had been established between US and Canada. He said govt is carefully studying matter and he felt strongly such committee could make valuable contribution in alleviating problem.

Mr. Kishi went on to say that, although it might be small matter, Japanese businessmen were trying to fix price and quantities of exports to US to avoid creating problems in American market. He understood these efforts might run counter to anti-trust laws in US. He realized these laws could only be amended by legislation, but wondered if possibly they could not be so administered as to allow Japanese businessmen to stabilize in this way exports to US.

Turning to subject of SEA development, Kishi stressed need for social and political stability in this area. These countries must have firm economic basis if they are not to fall prey to Communists. He emphasized he would like to do his utmost to this end. Important problem for these countries was to provide necessary capital and technicians to develop their resources. During his visit to Washington he had set forth cerain thoughts on SEA development fund and technical training centers, and had requested US to make study. He was well aware some capital flows into these countries through World Bank and US economic assistance but, perhaps because of Communist propaganda, these countries are suspicious of receiving aid from one country and lack proper understanding of US goodwill. At same time, this area is not attractive for investments from private capital. It was his opinion that possibly satisfactory solution would be some kind of multilateral arrangement on mutual basis to provide necessary investment funds. With regard to technical training centers, he stated he believed Japan could establish these, but would be compelled to depend to great extent upon US financial assistance for necessary capital to develop economies of these countries.

On Bonin Islands he said these former residents had been moved out of islands at end of last war, and for long time have been very anxious to return. He pointed out US has already permitted certain number of residents of Caucasian origin to return. In his talks last June with Secretary latter had indicated US might be able give some favorable consideration to problem. Govt was not asking for return of all of residents but if US would agree to return of limited number, govt would be very careful in selecting appropriate individuals and would be ready to provide whatever financial assistance needed in paying for return journey and getting them established. The fact that only persons of Caucasian origin had been allowed to return was very sensitive matter and had caused real resentment in Japan as form of racial discrimination. He sincerely hoped US would agree to limited return since this issue was real impediment to long term development of stronger Japanese-US relations.

On Japan–ROK relations Kishi said it was unfortunate in this part of free world that two countries were at loggerheads. This was type of situation which could be exploited by Communists. He emphasized he was doing his best normalize relations and that he was deeply concerned because of 700 unfortunate Japanese fishermen who were being detained in Pusan. These fishermen were captured by ROK for alleged violation of the so-called Rhee line and imprisoned for varying periods. Even when their sentences were completed they were still detained by Koreans. He said this was serious domestic problem. Govt had conducted series of talks with ROK authorities which have now bogged down because Koreans always demanded additional Japanese concessions. GOJ has conceded as much as it could. Big question in negotiations has been property problem. Japan agreed to use US interpretation of Article IV of peace treaty as basis for settlement, but at last moment ROK changed its mind and question has been left pending. He hoped US would study problem and give whatever assistance it could to bringing about successful solution by providing appropriate advice to both sides.[2]

I expressed deep appreciation for PriMin's clear and frank exposition. I assured him US very conscious of Japanese economic situation particularly necessity to correct present imbalance in international trade payments. US was very sympathetic in problems Japan faces with regard to exports to US and I was pleased to hear Japanese are striving for greater diversification in their US exports. I pointed out, however, that US also has similar problems with other countries. With regard to SEA development, I said a special committee in US Govt is studying problem. On Bonin Islands I said I was well aware Ambassador was very conscious of difficulties and he was doing everything possible to assist in solving problem. On Japan–ROK relations I emphasized this problem was of course primarily matter between Japan and ROK. However, since PriMin was requesting good offices of PE, we would do best we could to help if appropriate occasion presented itself and where it would not in any way be infringement on internal affairs of two countries.

MacArthur

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[2] See Document 255.

227. Letter From the Ambassador in Japan (MacArthur) to the Under Secretary of State (Herter)[1]

Tokyo, September 20, 1957.

DEAR CHRIS: It has been grand to have you here in Tokyo, and I only wish your visit could have been long enough to visit Kyoto and Nikko. Although I don't want to add additional burdens as you leave Tokyo, I did want to send you this brief note about several of the matters that we have talked about.

First, I am attaching a copy of a telegram[2] which I sent to Walter Robertson a few days ago about the return of a limited number of Bonin Islanders. This, as you know from what Kishi said yesterday, is an extremely sensitive issue insofar as the Japanese are concerned, particularly because of its racial discrimination aspects. While the Navy has been strongly opposed to the return of any Bonin Islanders of Japanese descent, I earnestly hope we can work out a solution involving the return of at least two to three hundred Islanders. We have many difficult issues with Japan. With respect to some of them, such as Okinawa, there is nothing we can do at this juncture to meet the Japanese view. However, with respect to the Bonin Islanders, I do feel strongly that we can, without jeopardizing our basic and fundamental interest or security, be forthcoming enough to find reasonable solutions.

This is very important, because the Bonin Island problem is a very contentious issue which has deep psychological overtones which cannot but affect our long-term relations with Japan. I place this at the top of the list of problems on which I think we are in a position to and should, act at once.

Similarly, the war criminal issue should be settled now, although I definitely rate its importance as less than the Bonin Island problems. We are in a bad posture to be the only country that has war criminals still in prison. I would hope we could find solutions for both Class A and Classes B and C along the lines of the latest Japanese proposals which I have fully reported to the Department.

Solutions to these problems are, I believe, not only in our own self-interest in our efforts to align Japan with us and the free world, but also they will strengthen Kishi's hand domestically in Japan and therefore help him in putting Japan's domestic house in order. It is particularly important at this time to do what we can to strengthen Kishi (as President Eisenhower said he wished to do), since he will be facing national elections in the coming year. And the results of these elections, just as in the case of the recent German elections, will have a vital bearing on where Japan goes in the coming critical period.

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[1] Source: Department of State, FE Files: Lot 59 D 19, MacArthur, Douglas, II. Personal and Confidential.

[2] Telegram 819 from Tokyo, September 17, marked "For Robertson" and "No Distribution Outside Department". In this telegram MacArthur made a case for limited Japanese repatriation to the Bonins along lines similar to those above. He indicated that the telegram was stimulated by news reports from Washington stating that the United States had decided to turn down the Japanese request. (*Ibid.*, Central Files, 294.94C22/9–1757)

As contrasted with the immediate situation and looking at Japan in the long-term, I am convinced that whether Japan will remain solidly aligned with ourselves and the remainder of the free world depends primarily on the vital trade issue. *By the very nature of the economic facts governing Japan's life, its long-term foreign policy must in the final analysis be dictated by Japan's over-all economic needs* and whether the free world will permit her to earn her living through trade. If Japan is convinced that its economic life depends on cooperation with the free world, then other problems we have in the vital fields of security and defense will fall into line. Although we will obviously have some difficult problems in these fields, I am sure they can be adjusted on the basis of give-and-take which fully takes account of our own self-interest. The trade problem is a tough long-term issue that will have to be continuously worked on in view of the pressure of various groups in American industry. Therefore, it is all the more important that we now try to eliminate or reduce serious and major irritants in our relations with Japan where we can do so, as in the case of the Bonin Islanders and the war criminals matters.

Finally, I need not mention how very important I think it is for our whole position in Southeast Asia and Japan that we come up with some really constructive and imaginative ideas as to how we can best assist in Southeast Asian economic development. Time, I fear, will work against us in that critical part of the world unless we can do something really constructive on economic development there.

Sincerely,

Douglas MacArthur II[3]

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[3] Printed from a copy that bears this typed signature.

228. Letter From the Deputy Assistant Secretary of Defense for International Security Affairs (Irwin) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, September 23, 1957.

DEAR MR. ROBERTSON: In accordance with your request,[2] the Department of Defense has completed a study to determine whether a limited number of former residents of the Bonin Islands could be repatriated from Japan. The conclusions drawn as a result of this survey are set forth below.

We know that in the 1930's these islands supported an agricultural population of between 1,000 and 2,000 people. This was at the end of a long period of development which began with the first European settlers in the nineteenth century. It can be assumed therefore, on the basis of arability alone and aside from all other considerations, that there exists an eventual capability to support considerably more than the present 176 civilian inhabitants.

To determine an order of magnitude of support capability a number of factors must be weighed. Setting aside for the moment the security aspects of these islands we find the following to be true. The land has returned to nature and is jungle, except for the small amount tilled by the present inhabitants. There is no housing. Existing roads, waterworks, electricity, and other facilities are sufficient only for present requirements. Under existing conditions the 176 native inhabitants make a poor and minimum satisfactory living. They live in a harmony which is largely attributable to their common background and interests and the machinery of government required is negligible. Therefore, we find that in order for these islands to support any increase in their population there will require the expenditure of time, investment of capital, development of government organization and services, and social readjustment in ratios which place a variable limitation on both the size and success of any immigration. For these reasons it is extremely difficult to set a definite figure upon the number of additional population hypothetically supportable by the Bonin Islands. Secretary Dulles' estimate of 200–300 is perhaps as good as can be made for a repatriation over a period of one to two years. This presupposes adequate financial support. A more accurate figure would depend upon detailed surveys requiring the expenditure of funds not now available or, under the circumstances, justifiable.

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[1] Source: Department of State, Central Files, 294.94C22/9–2357. Confidential.

[2] Reference is to a letter from Robertson to Sprague dated July 13. (*Ibid.*, 033.9411/7–1357) A summary of this letter is contained in Document 208.

The study reviewed the security aspects of the U.S. occupancy of the Bonin Islands. The review confirmed our present position. In brief, present world conditions, the state of military technology and our strategic assessment make it essential that we refuse consideration of further repatriation for the foreseeable future. The withdrawal of our forces from Japan serves only to increase our need for this posture. We have previously outlined to you the present and contemplated future uses which require this control and the reservation of all useful land for military purposes. As you know the requirements of U.S. law restrict knowledge of some of the installations envisaged to the minimum who need to know. In carrying out its responsibility for protecting information this Department has concluded that the present policy of exclusion must be maintained. We consider that the presence of the 176 Bonin Islanders now resident in the islands is a justifiable exception to this policy. These individuals, descended from the original European settlers, were pro-U.S. throughout World War II and were returned to the Bonins shortly after the war to save them from the persecution they were undergoing in Japan. This repatriation occurred before the present military requirements developed. These islanders continue to be pro-U.S. and even are seeking U.S. citizenship. They offer no security problem. Nevertheless, it is doubtful that they would have been returned to the Bonins if present needs had been known at the time. There is, of course, now no humane alternative to their continued residence. Except for the present islanders the presence of Japanese civilian visitors or residents, however innocent their intentions, would inevitably lead to difficult security problems and attendant irritations and prejudice to our relations with Japan. Therefore the Department of Defense strongly opposes the repatriation of any civilian to the Bonins, now or in the foreseeable future. Repatriation will be acceptable only concurrent with the release of the islands from U.S. control, which, of course, should not occur until world conditions have changed considerably.

Since it is not feasible to repatriate any of the Bonin Islanders from Japan it would seem proper to assist Prime Minister Kishi in disposing of the problem in a manner politically palatable to the Japanese people. Toward that end, it is recommended that the Departments of Defense and State, and other interested agencies, consult further with respect to compensating former residents whose private landholdings have been used or appropriated by U.S. forces. In view of the fact that these landowners were originally evicted by the Japanese government, it would seem reasonable for Japan to share the cost of such compensation. No study was made of the amount of land or money this would involve, or of the existence of any funds from which compensation might be paid.

It is recommended that the above conclusions be communicated to the Japanese government in such manner as you desire as soon as possible, together with a reiteration that so long as conditions of unrest and tension exist in the Far East, the U.S. must adhere to present policies with respect to the Bonin Islands.[3]

Sincerely yours,

John N. Irwin, II

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[3] Dulles and Fujiyama discussed Bonin repatriation that same day; the memorandum of their conversation is *infra*.

In a reply to Irwin dated November 4, Robertson wrote that Dulles "considered your letter carefully prior to his meeting with Foreign Minister Fujiyama on September 23 and decided that we should take the position that repatriation was not feasible in view of the military requirements which you described." The letter noted that Dulles did agree, however, "that we would study the matter of indemnification for the displaced islanders." Robertson also informed Irwin that the Department of State did not agree with Defense that Japan should share in the cost of compensating former residents whose property had been used or appropriated by U.S. forces. "Such a suggestion would nullify the major political objective we are seeking to obtain through compensation which is to eliminate or at least to greatly diminish the pressure for repatriation." (Department of State, Central Files, 294.94C22/9–2357)

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229. Memorandum of a Conversation, Secretary Dulles' Office, Department of State, Washington, September 23, 1957, 3–5:30 p.m.[1]

PARTICIPANTS

Mr. Aiichiro Fujiyama, Foreign Minister of Japan
Mr. Koichiro Asakai, Ambassador, Embassy of Japan
Mr. Kenichi Otabe, Counselor, Embassy of Japan
Mr. Toshiro Shimanouchi, First Secretary, Embassy of Japan
Mr. Funihiko Togo, Chief, 2nd Section, American Affairs Bureau, Ministry of Foreign Affairs
Mr. Shinichiro Kondo, Director, Public Information and Cultural Bureau, Ministry of Foreign Affairs

The Secretary of State
Mr. C. Douglas Dillon, Deputy Under Secretary
Mr. Walter S. Robertson, Assistant Secretary for Far Eastern Affairs
Mr. G. Frederick Reinhardt, Counselor
Mr. William C. Ockey, Acting Director, Office of Northeast Asian Affairs
Mr. J. Owen Zurhellen, FE, Interpreter

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[1] Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Zurhellen on October 1.

SUBJECT

General Discussion of American-Japanese Relations by the Secretary of State and the Japanese Foreign Minister

The Secretary opened the meeting by noting that he had met the Foreign Minister at the UN in New York, and that it was a great satisfaction to welcome him to the Department of State. Mr. Fujiyama knew the Secretary's special interest in Japan, dating from the time when he had negotiated the Treaty of Peace with Japan. The Secretary had been confident then that Japan would develop into a truly great country in the Far East and the Western Pacific, great in the sense of contributing to the welfare, peace and stability of the area. That confidence has been proven justified. The United States wishes to contribute in any way possible to achieve further results along these lines.

The recent visit of Prime Minister Kishi, who was at that time also Acting Foreign Minister, had been very useful, the Secretary continued. He had received a cordial note from Mr. Kishi introducing Mr. Fujiyama, and he wanted Mr. Fujiyama to carry back his thanks. He would be happy to continue through Mr. Fujiyama the good relations maintained with Prime Minister Kishi, and asked that the talks today be in the same spirit of frankness and friendship as those held with Mr. Kishi.

The Foreign Minister said that it was a great honor to meet Mr. Dulles in Washington. He had ended a 35-year career as a businessman to enter the Government as Foreign Minister, and it was significant, and would be remembered by him, that this discussion was being held as a starting point in his new career. He had been a close friend of Mr. Kishi for over 20 years, and had always hoped that Mr. Kishi would someday become Prime Minister. When that eventuality came to pass, and Mr. Kishi strongly urged him to accept the post of Foreign Minister, he had accepted because he knew that Mr. Kishi wanted a man who agreed with him. They wanted no duality in foreign affairs, but the closest teamwork. The fact that he had become Foreign Minister did not mean that there would be any alteration in Japan's foreign policy, but on the contrary he was resolved to pursue the objectives decided upon between the President and the Prime Minister.

As the Secretary knew, Mr. Fujiyama continued, the new Kishi Cabinet had taken office on July 10 of this year. The reorganization of the Cabinet had given it added strength, and one factor in that strength was the successful visit which Mr. Kishi had made to Washington, during which the cornerstone had been laid for close cooperation with the United States in various fields of foreign relations. Japan relied on its relations with the United States as the keynote for its relations with other areas, such as Southeast Asia and the Middle East. Japan's policy was to solve problems and work for adjustments through the United Nations.

On the domestic side, there were two problems which the Foreign Minister wanted to mention, labor and education. A Cabinet Council had been set up to deal with labor matters, and Mr. Ishida, former Chief Cabinet Secretary who had accompanied Mr. Kishi to Washington, had been appointed Minister of Labor. Basically, the labor problem in Japan is one which the present Cabinet can solve. Public opinion supports the Cabinet, as was indicated by the reaction to the Government's action in discharging striking workers on the Government railroads several months ago. To a certain extent, at least, the Government can succeed in its labor program.

In the field of education, the Government is determined to move ahead in spite of strong resistance from the Japan Teachers' Union. Steps will be taken to improve the general administration of education as well as its content. Within the context of wider relations between the United States and Japan, Mr. Fujiyama desired to bring up the question of education in the Ryukyu Islands, as he had twice been requested to do by the Minister of Education. The election of a communist sympathizer, if not an outright communist, as mayor of Naha had indicated, he believed, that there is an unhealthy and dangerous drift in the Ryukyus, for which education is partly, at least, responsible. The Japanese Government is taking forceful measures in education in Japan, and believes that it would be a welcome first step if some participation in education in the Ryukyus could be returned to Japan. This would also satisfy some of the aspirations of the people of the Ryukyus, and remove some of the sting arising from the fact that the islands are still under military government.

It might be difficult, the Foreign Minister admitted, to accomplish this from the administrative point of view, but it would be a first step to assure Japan of the eventual restoration to it of the civil administration of the Ryukyus. This would be a great help to United States-Japanese relations and would be beneficial to the people of Japan and of the Ryukyus. He asked the Secretary to give thought to this proposal.

The people of Japan, Mr. Fujiyama continued, are looking forward to the results of the Kishi–Eisenhower talks. The new Joint Committee on Security has already met twice, and both the Government and the people are well satisfied. The recent exchange of notes between our two countries linking the Security Treaty to the United Nations has had a very favorable impact. Another result of the talks has been the rapid withdrawal of American ground combat forces. Various problems have been discussed in the Joint Committee on Security, and it has been favorably received by the Japanese people. The military participants in the Committee have been very helpful, and he wanted particularly to express gratitude for the part played by General Smith.

The Foreign Minister said, however, that there were two matters which concerned the Japanese people and on which they were still waiting to hear the results of the Kishi–Eisenhower talks, the repatriation of the Bonin islanders and the release of war criminals. The details of the talks on these matters had not been disclosed, but it was known that they had been discussed and there was a strong desire for their settlement. It was especially disturbing that persons of pure Japanese ancestry were excluded from the islands, while persons of partly Caucasian ancestry had been allowed to return. The people and Government of Japan would greatly appreciate it if some means could be found to allow some repatriation. It would not be necessary for all to go, or for all the islands to be opened, but they hoped for the admission of at least several hundred on this occasion.

The League for Acceleration of Return to the Ogasawara (Bonin) Islands, Mr. Fujiyama said, strongly desires to have some persons return to the islands, and he wanted to do anything that he could to remove this problem from the field of American-Japanese relations. The League has 2,000 members, but the Foreign Minister did not know how many of these would actually want to return to the islands if the opportunity were offered. He believed that the very fact that they were forbidden to travel to the Bonins might be a principal cause of their agitation. Twelve years have elapsed since the end of the war, many of the people are elderly, and perhaps only a handful would return. If two or three hundred could be allowed in, as a first increment, that might solve this petty situation.

On the subject of war criminals, the Foreign Minister continued, the number was not large, but the fact that there are any at all, twelve years after the end of the war, is a sore spot. He realized that it might not be possible to dispose of all Class A, Class B and Class C cases at once. Although the United States has suggested that Japan set up a new Commission to review Class B and C cases, Japan already has such a Commission. It would be undesirable to set up a new Commission, because to do so would undermine the trust and confidence enjoyed by the present Commission, and Japan would therefore like to use the existent Commission for the review of the war criminal cases. If it proved difficult to reduce the sentences of the war criminals to the time already served, and thus free them entirely, could not the system of supervision and surveillance over those on parole be terminated? The important thing, the Foreign Minister said, was to move ahead, step by step, however slowly, and not to stand still. If this can be done, the people will be impressed with the results of the Washington talks. If these problems regarding the Bonin Islands and the war criminals can be solved, then overall United States-Japan relations will improve at the same time. Some problems are well handled through established diplomatic channels, Mr. Fujiyama emphasized, but as Minister of Foreign Affairs he was interested in trying to solve these particular cases in a way which would strengthen relations between the two countries.

The Foreign Minister asked whether the Secretary would like to comment at this point, or whether he would prefer Mr. Fujiyama to complete his entire presentation first.

The Secretary replied that he would be glad to comment on the matters already raised, and Mr. Fujiyama might then resume his presentation.

He was very glad, the Secretary said, that the Foreign Minister had presented frankly and without reserve the political problems facing his country, and that he had expressed the desire to work together for our mutual advantage. He was very happy that the Japanese Government intended to deal vigorously with the labor problem in Japan. He had felt, from his own knowledge, that the labor situation was dangerous and the unions apt to be infiltrated by communist agitators. We know that the communists try particularly to get control over labor unions. We have had this problem in our own country, and perhaps it has not yet been dealt with completely adequately. It is important that the Japanese labor movement not be controlled by communists. They are extremely able organizers, and excel at organizing mass movements. Of course we do not think, and the Japanese Government would not think, that mere repression is the answer. What is needed is a good labor movement which will not fall under the leadership of men with ulterior motives.

Education needs careful watching, Mr. Dulles continued. The communist emphasis on youth and the training of youth is one element in their worldwide program, and is a great element of danger. They think about the education of youth in long-range terms. Too often democratic societies, with elections every few years, think in shorter-range terms. The communists are also apt to penetrate into teachers' unions. The Secretary said that he did not know whether the proposal regarding education in the Ryukyus was practicable, but that he would take note of it and submit it for study to those who have the primary responsibility for the Ryukyus.

We too, continued the Secretary, are gratified at the prompt implementation of the agreements reached with Prime Minister Kishi. By means of the new Joint Committee on Security, it was possible to develop an acceptable degree of mutuality to serve the interests of both countries without modifying the terms of the Security Treaty, which would have been very difficult. Rapid progress has also been made in the withdrawal of ground combat forces, which the Secretary understood would all have left Japan by the end of this year.

Regarding the Bonin Islands, Mr. Dulles went on, Mr. Kishi had been told that we would study the possibility of repatriation, and Mr. Kishi had suggested that, if repatriation seemed impracticable, indemnification of the former inhabitants be considered. The matter has been considered, and considered very carefully, said the Secretary, but he was sorry to say that the result was negative. A real effort had been made to see if it would be practicable. Mr. Dulles said that he had pressed the Defense Department very strongly to justify their stand against any repatriation, and that he had been convinced of the validity of their arguments. He had concluded that their analysis of security factors was valid, and that repatriation was just not practicable. Indeed, he thought that the Defense Department regretted the presence of the 176 or so persons who were already there. While he had said that this conclusion was mainly justified by the Defense Department, who bear primary responsibility for the Bonin Islands, Mr. Dulles emphasized, he did not want it thought that the whole onus of the decision was theirs. He himself doubted whether it would in fact serve the interests of our two countries if one or two hundred persons returned to the islands. That would only increase the demands and produce a recurrent problem. While the reasons for this conclusion had been primarily adduced by the military authorities, he said, he did not feel that the conclusion was necessarily against the cause of good relations between the two countries. Experience shows that a little beginning only increases the demand. There is a real limit to means of livelihood on these islands, and very little land. It would be much better to take Mr. Kishi's suggested alternative and consider indemnification. That alternative he would be glad to consider.

The Secretary then said that he would turn to the question of war criminals. Mr. Robertson said that there was no problem in the cases of the three civilian Class A criminals, but that the other seven Class A's, who are former military men, were more difficult.

Mr. Dulles said that this was a technical problem to him, and perhaps it was to Mr. Fujiyama as well. He was somewhat confused by the distinctions between A's, B's, C's, parole, civilians, military, etc. The Foreign Minister said that if there was a disposition on the Secretary's part to do something about the war criminals, that would suffice, and he would leave a paper[2] with the Department for the discussion of details.

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[2] Not found in Department of State files.

We do expect to do something about them, the Secretary replied. We are prepared to recommend to the other countries concerned reduction of the sentences of the three civilian Class A men to the time they have already served, so that they can start anew with a clean slate. We will try to do something for the other seven, and to find some way of ending surveillance. Regarding the Class B and C men, however, we have some doubt as to whether the present Japanese Commission meets the requirements which we have for review of the cases by a non-political body.

The Foreign Minister asked that the recommendation to the other countries regarding the Class A men be made as soon as possible.

Mr. Robertson said that we were now trying to work that out. Our parole board is reluctant to treat the former military men on the same basis as the civilians, but if it proves impossible to reduce their sentences we will try to end the surveillance.

The Foreign Minister then returned to the question of education in the Ryukyu Islands, and said that the Japanese Ministry of Education had made a study of the textbooks in use in the Ryukyus. These texts, it had been found, were not appropriate for the education of the people of the Ryukyus, who are, after all, Japanese from the political point of view. He asked whether it would not be possible to adopt the Japanese point of view in the texts, or to use Japanese texts. He requested that consideration be given to consultation with the Japanese regarding textbooks.

The Secretary asked whether Mr. Fujiyama had a paper on the texts pointing out the parts considered objectionable. The Foreign Minister said that he would send such a paper after his return to Japan. The Secretary asked that it be turned over to Ambassador MacArthur, and expressed the thought that something might be done.[3]

Mr. Robertson then asked the Foreign Minister whether the school texts in Japan were selected by the Teachers' Union. Mr. Fujiyama replied that this was done by the Ministry of Education.

Mr. Fujiyama then said that he understood well the difficulty of the military point of view on the Bonin Islands, but that Japanese public opinion was very strong on this subject. If the military would only be specific and say what type of people they did not want in the Bonins (Mr. Dulles interjected: any) or what number (Mr. Dulles: any) or in what places (Mr. Dulles: any) then progress could be made.

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[3] In a memorandum to the Secretary dated November 8, drafted in NA, Jones reported that the High Commissioner of the Ryukyus was opposed to return of outright or modified control of Ryukyuan education to the Japanese Government, on the ground that it would set a precedent and be an invitation for demands for reversion of other areas of civil government to Japan. Moreover, the High Commissioner pointed out that most textbooks at the primary and secondary levels were already chosen from those approved by the Japanese Ministry of Education. Jones stated in conclusion that a Foreign Office official had "acknowledged to the Embassy with evident embarrassment that when Mr. Fujiyama met with you he had not been informed that Japanese text books were used in the Ryukyus." (Department of State, FE Files: Lot 59 D 19, Ryukyu Islands 1957)

The Foreign Minister continued that not only the Japanese, but all Oriental peoples, have a strong religious desire to visit the graves of their ancestors, and said that the Japanese would deeply appreciate arrangements being made for such visits to the Bonins.

The Secretary recalled that Prime Minister Kishi had made a strong sentimental and moral appeal for such visits, which had impressed those who heard it. The Secretary had inquired about the feasibility, but had been told that it was not possible to find the graves.

Mr. Robertson said we had been informed that many grave markers had been destroyed by bombing during the war and that the jungle growth in the meantime had also obliterated many of them.

Mr. Fujiyama said that as far as the Japanese Government is concerned, it cannot tell the people that they cannot return to the Bonins to visit graves because there are no graves. The people themselves would know the locations.

Mr. Dulles asked whether it would be feasible to send a Japanese Government representative to the islands to verify the situation. Mr. Robertson pointed out that while there were no facilities for visitors on the islands, we would explore this suggestion.

It was impossible to believe that there were no graves, Mr. Fujiyama continued. Common sense dictated that in a place where thousands of people had lived there would be graves.

But the markers have been destroyed, rejoined the Secretary, and the place is heavily overgrown. What could be done to put the Japanese Government in a position to verify the facts? The Foreign Minister said that at any rate he would appreciate it if the Secretary would pursue the matter sympathetically.

Mr. Fujiyama than went on to say the he had been asked by the Prime Minister to mention the matter of the nuclear tests which the United States has announced it intends to carry out next spring. The Japanese people, old and young, are very sensitive on this question. It is not merely a question of communists. The Japanese Government was placed in a position where it had to lodge a protest. The handling of this matter is vital for the conservative government. The psychological situation in Japan compels the Government to stand for disarmament, the abolition of war, and the establishment of peace, and against the manufacture and use of all nuclear weapons. This was the background of the Foreign Minister's speech the other day at the UN General Assembly.[4]

Mr. Dulles interjected that he had thought it a very good address.

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[4] Apparent reference to Fujiyama's speech delivered September 19.

The Japanese Government faces elections in 1959, Mr. Fujiyama continued, unless they should occur sooner by reason of dissolution of the Diet. It is the intent of the Government and the Liberal-Democratic Party to win a large number of seats in the Diet. If the question of nuclear testing should be handled awkwardly or unfortunately, the very existence of the Liberal-Democratic Party might be endangered. Japan has therefore concluded that it had to make a unilateral proposal for the banning of nuclear tests.

The matter of United States-Japan trade relations was then brought up by the Foreign Minister. The Japanese Government, he said, appreciates the present Administration's profound understanding of Japan's need for trade, and knows that all possible efforts, including the use of the veto, have been made to avoid adverse courses of action. The Japanese people know that there will be elections in the United States next year, and that the Reciprocal Trade Agreements Act will expire. They fear that these events will be accompanied by increased agitation for trade restrictions. Within Japan every effort is being made to hold down quotas on exports to the United States and to carry out orderly marketing. Controls are exercised on both quality and volume. While the two governments agree as to the logic of these measures, however, the simple logic of the common man in Japan notes only that Japan buys twice as much from the United States as she sells, and that Japan is hard put to find the dollar exchange to make up the difference between a billion dollars in purchases and half a billion dollars in sales. Most of the items in the export trade to the United States are those handled by small and medium business enterprises, and these firms are especially hard hit by restrictions. The Foreign Minister said that he understood the American measures already being taken, but earnestly hoped that every effort would be made to maintain the present arrangements, since any move to restrict trade further would weaken the overall relationship between Japan and the United States.

There are many small firms in Japan in the export trade, Mr. Fujiyama continued. Particularly among these there is a strong desire to increase trade with communist China. The Government and informed circles have no high expectations regarding increased trade with the Chinese communists, but the demands of the trading firms must be satisfied to some extent and directed into non-injurious channels. This problem is completely divorced from the question of political recognition. The Japanese Government is now considering granting permission for the stationing in Japan of a Chinese communist trade representative. The Government's purpose is to prevent leftists and communists from involving themselves in the trade as middlemen and steering the trade in a manner not beneficial to Japan. It is contemplated that there would be in Japan a representative of the International Import and Export Corporation of China with whom the Japanese traders could deal directly, instead of having to deal through local leftist middlemen. The Japanese believe that this approach will keep trade in trading channels, and will keep politics out. They feel that this is the most practical way to direct into proper channels the strong demand in Japan for trade relations with communist China, but emphasize that it is not a step towards political recognition.

As the Secretary would recall, Mr. Fujiyama went on, Mr. Kishi had proposed a Southeast Asia development fund. We all understand that there are many approaches to develop this idea in a practicable and feasible form. The Japanese do not necessarily intend to insist upon the Kishi proposals in their original form, but are awaiting the reactions, comments, criticisms and suggestions of the Southeast Asian countries. The Foreign Minister would welcome any comments from the Secretary, whether favorable or unfavorable, and any suggestions he might care to make. It was not necessary to do the whole thing at once, but the Japanese rather want to start with what is feasible now. With that in mind, the Japanese budget for next year will contain funds for financing a technical training center for cooperation with the Southeast Asian nations. Mr. Fujiyama asked for suggestions in that connection, and for further earnest consideration by the United States. The Japanese purpose, he explained, was not only to assist in the economic development of the other countries concerned, but also to expand trade for the benefit of Japan and the entire free world. He asked for the Secretary's comments.

Mr. Dulles said that he would take up the disarmament question first. Both he and the Foreign Minister had spoken on that subject at the UN General Assembly in New York; he had examined in a tentative way what the Foreign Minister had said, and he hoped that Mr. Fujiyama had done the same about his remarks. The Secretary said that he understood quite well the natural abhorrence which the people of Japan feel for atomic weapons, although he expected more people had actually died under worse conditions in Tokyo than in Hiroshima. The basic fact was this: there has been discovered in the last twelve years a great new source of power. Within time, in perhaps 5, 10, or 20 years, no one can say just when, this source of power will be used in almost everything we do. If we consider the situation 50 years from now, perhaps all our lights, our clocks, even our watches, will run by this power. Now it is in a crude state. It is like electricity, which once was nothing but lightning to burn down houses, but now is a great servant of men both for war and in peace, happily more for peace than for war.

To think that this new power would not be used if we have a war would be unrealistic, the Secretary continued. Even if they destroyed all nuclear weapons now, the great powers could remake them in a matter of a few weeks. It took a long time to make the first ones, but now it would be easy and would almost surely be done. If we can take steps to make war less likely, such as mutual inspection, and if there is no war, then of course nuclear weapons will not be used. But if we cannot make war less likely, then we must study ways to use the atom with the least destruction of life. This assumes that we conduct our testing under conditions not injurious to human life. As the Secretary had stated at the UN, we are prepared to stop testing nuclear weapons if steps are taken at the same time to make war less likely, but if the latter is not done, then we must find weapons which, if used, will not destroy all human life.

We realize, Mr. Dulles went on, that the Japanese Government has a special problem that is more emotional than reasonable. The American people perhaps reason about this, while the Japanese view the problem emotionally, and the Japanese Government must take that into account. If we thought the testing was injurious we would be the first to stop it, as we are in the most danger. There is more testing in the United States then elsewhere, and the prevailing winds blow the residue of explosions in our direction, but we are taking and will continue to take proper safeguards. We think it is possible to keep future discharges of radioactive material into the atmosphere within an amount which will do no more than replace that material which is losing its radioactivity, thus not exceeding the present level of radioactivity. The Secretary hoped that Mr. Fujiyama would have an opportunity to talk to Admiral Strauss about these technical aspects.

We hope, continued the Secretary, that we can work closely together at the UN on these matters. We realize that the Japanese have special problems and will not press them unduly regarding politically important things. We want to strengthen the Foreign Minister and the Government, not lead them to political suicide. The Secretary hoped that Mr. Fujiyama and the Japanese Government recognize the integrity of our purpose, as we do theirs, and that we can work closely and avoid any appearance of the Japanese joining with the Russians. The position of the Russians is not sound and would greatly injure the defense capability of the free world.

With respect to trade, the Secretary went on, we are confident that the Reciprocal Trade Agreements Act will be renewed next year. There is some increase in protectionist feeling in the South. The South has changed. It used to be an agricultural area, producing cotton for export. Now it is to a considerable extent industrialized and the market for cotton is not abroad, but here in Washington in the Commodity Credit Corporation. They know that they have a support price, and what cannot be sold abroad will be bought here. There is no dependence on foreign markets. It is for these two reasons that the South has become more protectionist. You may say that it is wrong, but it is a fact. I say that it is wrong too, said Mr. Dulles, but I know it to be a fact. We are confident, however, that the Trade Agreements Act will be renewed and the President is already thinking and talking of plans to assure that it is.

Regarding trade with communist China, the Secretary went on, the Japanese would suffer bad political consequences if they were to open a regular trade office on the China mainland. The small businessmen would not benefit, because the communists do not deal with small traders. They like items such as electronic equipment. The political liability would be greater than the commercial benefits. He realized that the Japanese consider their plan the lesser of two evils. Perhaps they were right; he did not know. He thought, however, that it would be useful for them to consider the example of Chancellor Adenauer who was quite successful politically without indulging in compromise.

We feel, the Secretary continued, that the growth of trade between Japan and the Southeast Asian countries is very important, and in principle we favor and encourage the idea of economic development such as suggested by the Japanese. We do not think, however, that the proposed organization with a capital of $700 million is practical. Multiplicity of means is not desirable; we already have the World Bank, the Export-Import Bank, our new development loan fund, and we prefer to work through these generalized institutions rather than set up a new one of limited character. It is frequently the case that others desire to set up new banks with United States funds. The North Atlantic Treaty Organization wants one for the African trade. The UN wants SUNFED and things of that sort. When Mr. Dillon was recently in Buenos Aires, they wanted something for South America, and so on. If there is a real opportunity to do business between Japan and Southeast Asia and help is needed from the United States, we will find one means or another to help. The important thing, however, is to find the business and then see if a new organization is needed. Where there is a good business prospect it should be possible to find means of providing the capital. The Japanese are proceeding on a more modest basis, and that is fine. If the idea develops, we may find some way to help. First, though, it is necessary to get the responses from the other countries, which will shed light on the problem.

To recapitulate, said the Secretary, the idea of Japan-Southeast Asia cooperation is absolutely sound. The Japanese have the technical know-how and the industrial capacity. The other countries have raw materials. The United States, however, does not feel that new regional institutions are necessary, but rather that the present institutions are adequate. We will welcome further knowledge of the situation when it is obtained by the Japanese. If there is business to be done but no credit available, then will be the time to think of a new institution. We fully recognize that trade is vital for Japan. With a population soon approaching 100 million, Japan needs a solid, dependable foreign trade, not the kind to be found on the China mainland, which has never really been a major market for Japan. It is important to encourage the development of new markets, but the need for a new agency has not been demonstrated.[5]

The Secretary then asked Mr. Dillon if he had anything to add. Mr. Dillon said that he did not, but that he was always glad to hear from the Japanese. He would be particularly interested in learning the responses from the Southeast Asian nations to the Japanese approach, since in the past they had not been noted for any desire for regional organization.

Foreign Minister Fujiyama said that he had no responses as yet, and so did not intend to pursue the matter in detail. The Japanese plan to move ahead in a modest way, however, and any evidence of support would help them.

Mr. Dulles said that if the responses indicate that business can be done and more capital is needed, the Japanese should not hesitate to come to us on a case by case basis. Under Mr. Stassen's guidance the "Arc of Asia" plan had been proposed, but it had not been possible to find reality behind the name. The Southeast Asian countries were not anxious for triangular or multilateral business, and our experience had not been good. Perhaps the Japanese will develop possibilities which we could not find, however. The Secretary said that he did not guarantee the funds to make up shortages of capital, but the Japanese should talk to us and we will try to help.

Ambassador Asakai stated that the Japanese already had two or three concrete programs in mind. Mr. Dulles said that this was fine.

The Foreign Minister noted that time was running short, and that he would just like to mention several other topics, such as the sale of surplus agricultural commodities to Japan, an agreement for the peaceful use of atomic energy and temporary agricultural workers.

The Secretary said that a program had been worked out to increase the number of temporary agricultural workers from Japan by 1,000 per year for the next two years, so that there would be a total of 3,000 in this country thereafter on a revolving basis.

Mr. Robertson pointed out that this matter was not yet ready for public announcement and that no premature public disclosure should be made.

Mr. Fujiyama said that other topics which he would like to mention in passing were the return of vested Japanese assets in the United States, and the desire of Japan Air Lines for terminal rights at Los Angeles. He also wanted to call attention to the deadlocked negotiations between Japan and the Republic of Korea. He would not cover the whole course of the negotiations, he said, but the problems boil down to the fact that the Republic of Korea will not accept the United States interpretation of the Japanese Peace Treaty on property claims.

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[5] This portion of the conversation is summarized in circular telegram 344, October 11, printed in vol. XXI, p. 398.

As a final point, said Foreign Minister Fujiyama, he wanted to urge the importance of cultural relations. The Russians were very vigorous and aggressive in sending artists to Japan. These artists, such as the Bolshoi Ballet, which is at present in Japan, are welcomed not merely by the communists in Japan but by all people who admire their artistry. Because of the lack of dollar funds, Japan cannot invite American artists to come to Japan. The Russians, however, pay all the expenses for their groups. Serious efforts should be made regarding this problem.

The Secretary said that he attached great importance to this problem. On an early trip to Japan he took with him Mr. John D. Rockefeller 3rd[6] and got him interested in certain types of cultural exchange. The Rockefeller Foundation, of which Mr. Dulles had been chairman, financed the exchanges of persons to some extent. He mentioned this only to show the importance which he himself attached to this type of relationship. A society operating along private lines, however, cannot do some of the things that a totalitarian regime can do. We cannot order artists to go somewhere, or easily pay their way. On the other hand the point certainly deserves mention and should be in our minds.

Foreign Minister Fujiyama then said that although this had been a very interesting discussion he was deeply disappointed in regard to the Bonin Islands. It seemed that there was no hope. He would be very grateful at this time if he could hear an assurance that the problem could still be discussed and that study would continue. He was particularly disappointed because as a result of the Kishi visit there had arisen a hope that some solution would be arrived at to give some satisfaction to the Japanese people and especially to the Bonin Islanders. It would be most disappointing and heartbreaking if he were to convey the Secretary's words to the Japanese. Could the Department of State continue to discuss this question with the Department of Defense and find some formula to satisfy Japan? The area of admittance might be restricted, the number of persons, or the occupations they were to follow, any formula to give the Bonin Islanders some satisfaction. He hoped that the door was not completely closed. From the point of view of our overall relations a solution should be found. These people were not communists. They are hard-working men of integrity. It would be heartbreaking for Mr. Fujiyama to bring them disappointment. If the door were open even to one or two hundred he was sure that the Boin Islanders' League could take the responsibility of selecting only those who would represent the best in the Bonin Islands.

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[6] Reference is to Dulles' stay in Japan, January 25–February 11, 1951. For documentation, see *Foreign Relations*, 1951, vol. VI, pp. 132 ff. and 777 ff.

The Secretary replied that when Mr. Kishi was here the latter had stated that if repatriation was too difficult then indemnification might be a solution. The Secretary then read the following remarks of Mr. Kishi from the record of their talks: (KIV 7a)

> "If . . . [7] the United States should still find it extremely difficult to permit even these persons to return, then he had to point out that the question arose of indemnification for those persons who were unable to return and who were having difficulty in maintaining their livelihood in Japan proper."[8]

The Secretary wondered whether this was not the solution for them to consider. There were security factors on which he could not elaborate, he said, but which were particularly important now with the withdrawal of American forces from Japan. These factors require an exclusive military reserve. If these factors had been known in the period immediately after the end of the war, it was probable the 176 present inhabitants would not have been readmitted to the islands. The military authorities had explained this in a convincing way, and he had not been easy to convince. He would have preferred to meet the wishes of the Japanese Government but he had been persuaded otherwise. There is very little land in the Bonin Islands, and they are required as an exclusive military reserve. No one is wanted there. We would be glad to send the 176 back to the main islands of Japan if the Japanese Government wants them.

The Foreign Minister replied that to discuss the matter of indemnification would put an end to discussion of the whole matter of repatriation, and this would be extremely embarrassing to him. It was injustice and discrimination against other upright people that the present 176 inhabitants of partly Caucasian descent were the only Japanese allowed to live in the islands. He wondered whether further consideration could not be given to the admittance of a restricted number to a restricted area, under any other appropriate restrictions. He was not lacking in cognizance of the security of the United States, but the fact that some islanders of part Caucasian blood had been allowed to return was embarrassing.

It was not because we wanted to discriminate in favor of them, the Secretary said, that we had allowed these people to return, but because they were being discriminated against in Japan. The discrimination did not start with us, but with the Japanese. If we had it to do over, we would not take them. They have only a meager existence and are an embarrassment to the security of the islands. There is no need to make a public announcement, he continued, but it would be better to try paving the way for indemnification and for resettlement of these people in Japan. We have exhausted the means for consideration of this problem. The Defense Department has reasons which the Japanese would recognize as valid if they knew of them. We should not let a hundred people out of 90 million become a major difference between our countries; we are dealing with bigger elements.

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[7] Ellipsis in the source text.

[8] Document 188.

Mr. Fujiyama questioned whether Japan had in fact originally discriminated against the part Caucasian Bonin Islanders.

The Secretary rejoined that neither he nor Mr. Fujiyama had first-hand information on that point.

The Foreign Minister said that he fervently hoped that the Secretary would not stop considering this problem.

Mr. Dulles said that he would "not stop considering, but . . . "[9]

However much he had been convinced by the military, Mr. Fujiyama continued, he hoped that the Secretary would continue to discuss with them all aspects of the problem and find something that would contribute to our mutual relations.

We reach the point, the Secretary said, where it is not fair or right to keep alive hopes. In fairness to them the islanders should be told to settle down where they are. At best the Japanese request would affect only one or two hundred people out of several thousand. Whether it is better to keep alive these hopes is very doubtful. We have tried to find a way to squeeze a few people into these wretched islands, but it is impossible. It would be better for the Foreign Minister to report to Prime Minister Kishi and see if he does not agree to discuss indemnification. We will await further word, the Secretary concluded.

Mr. Fujiyama said that that was agreeable to him. The Secretary then handed Mr. Fujiyama a memorandum containing an agreed announcement to be made to the press. Mr. Fujiyama approved the announcement, but said that the Japanese would also like to be able to inform their press that Southeast Asian development and United States-Japanese cultural relations had been discussed. This was agreed to. (Press announcement attached hereto)[10]

The Foreign Minister then said that he would like to give the press, as background information, a statement that he had opened formal negotiations with the Secretary on an agreement for the peaceful uses of atomic energy. After a brief discussion with the other officers present, the Secretary said that he had no objection to this.

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[9] Ellipsis in the source text.

[10] Not printed.

The meeting thereupon concluded, it being 5:30 p.m.[11]

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[11] On September 24 Fujiyama paid a courtesy call on Secretary Wilson, during which he brought up Japan's desire for a continuation of of military assistance in order that the self-defense forces could be expanded. Fujiyama also asked for an expansion of offshore procurement, and stressed the increased ability of Japanese industry to fill orders. Wilson stated that consideration would be given to Japan's needs. (Memorandum of conversation by William C. Ockey; Department of State, Central Files, 611.94/9–2457)

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230. Memorandum of a Conversation Between the Japanese Ambassador (Asakai) and the Assistant Secretary of State for Far Eastern Affairs (Robertson), Department of State, Washington, September 24, 1957[1]

After an exchange of cordialities, Mr. Robertson reminded the Ambassador that he had told him the previous evening that he wished to say something more about the Bonin Island situation. It was a matter that concerned us very much but one into which the Secretary had not gone during his conversation with Foreign Minister Fujiyama on Monday. Mr. Robertson went on to say that, as the Ambassador knew, we were pulling back our forces from his country. The general situation was such that we could not abandon our strategic position until threat and tension eased. The essential factor in forcing us to maintain our strategic position was the fact that the Communists continued to have the same basic aggressive policies which they have pursued, as witness the fate of sixteen nations. Mr. Robertson gave examples of how the Communists in Asia continue to have an aggressive posture. He said that although they talk of peace they continue to build up their military forces. He mentioned ten Communist airfields between Canton and Shanghai which are equipped to handle jet planes. He spoke of the Communist successes in Indochina and their continuous military build-up. The Vietminh, he said, had 350,000 to 400,000 troops while Vietnam has only 140,000. Against this aggressive posture of the Communists the only real, forceful deterrent in Asia was the United States. What other country, he asked, would oppose overt aggression? Full responsibility fell upon the United States and whatever Asian allies it had. In the Korean war, for example, the maximum number of United Nations troops other than American was 35,000. The war was expensive in American lives, and it cost us $18 billion as well. Mr. Robertson said that he knew the Ambassador was aware of all this but he reminded him of it only so that he would realize the United States must keep its strategic posture in the Far East.

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[1] Source: Department of State, Central Files, 294.94C22/9–2457. Confidential. Drafted by Martin on October 4 and initialed by Robertson indicating his approval.

The position of the Bonins had changed, said Mr. Robertson. The United States had strategic uses for those islands which made them a defense for Japan as well as for the United States, and the Defense Department now had plans for the use of all of Chichi Jima and Haha Jima, necessitating complete exclusion. If the decision were being made now the Navy would not even bring back the first inhabitants. That they did so immediately after the war was only to protect them from discrimination in Japan. Their repatriation did not discriminate against others. Moreover, they were not difficult to deal with. They did not object to the presence of a United States military base near their homes.

Mr. Robertson said that no one this side of the President would be able to get the Defense Department to allow even a few hundred Japanese into these islands. Mr. Robertson himself had spent hours talking to the responsible officials in Defense. The Secretary of State himself had had several meetings on the subject. Mr. Robertson was sure that Ambassador Asakai understood. He certainly would if he were an American. We were sorry, Mr. Robertson stated, to have to say "no" to Mr. Fujiyama who was visiting the United States for the first time as Foreign Minister. Both Defense and State appreciated the importance of Japan and desired earnestly to solve the problems confronting the two nations.

Mr. Robertson said he understood the economic problem of Japan. Raw cotton sold by the United States to Japan was double the value of cotton textiles which the United States bought from Japan in return. Japan had had an adverse balance with the United States of $900 million over the last three years. Japan was one of America's best customers, the best next to Canada and the United Kingdom. In agriculture it was the very best. He said that he was accustomed to telling these facts to Congressmen and other influential Americans at every opportunity. The Government was confronted with the necessity of convincing the general public that it was in the American interest to buy more from Japan. Proposed state textile legislation of discriminatory character was defeated in Georgia, Louisiana and Connecticut. Although the existing laws in South Carolina and Alabama were not being enforced, the United States Government would continue its efforts for their repeal.

Mr. Robertson said what he wished the Ambassador would tell the Foreign Minister was that the Bonin problem was the toughest problem he could possibly have posed at this juncture.

The Defense Department, explained Mr. Robertson, was opposed to pilgrimages of the exiled islanders to their ancestral graves in the Bonins. There were no facilities to take care of such pilgrimages and the Defense Department was against such visits for security reasons.

Mr. Asakai interrupted to say that the statement there were no tombs was ridiculous. Mr. Robertson agreed, and said that if he had been born and raised in the Bonins he would be able to find his own home and the graves of his ancestors even though he had not been there for over ten years. This was only an excuse; the real reason was the desire for complete exclusion. If pilgrims came it would cause problems.

Ambassador Asakai stated that when Prime Minister Kishi came the Japanese had received wonderful news—a ray of hope when the Secretary had agreed that possibly 200 or 300 Bonin Islanders might be repatriated. Mr. Robertson tried to correct the Ambassador who held up his hand and said he knew no promise had been given.

Mr. Robertson got out the minutes of the Kishi visit[2] and read from them to show the Ambassador that quite contrary to creating an expectation that repatriation was possible and likely, the Secretary had said that it would be extremely difficult, that the President might not even agree in principle, and that it would raise more problems than it would solve, but that despite this fact the United States was prepared to study the matter further. Mr. Kishi had asked how many islanders the United States might consider repatriating and the Secretary had said that the maximum would be 200 to 300, but that military security would be the determining factor. Mr. Robertson pointed out that in preparing the Joint Communiqué at the White House on June 21 the Secretary had purposely deleted the sentence dealing with the possibility that there might be limited repatriation.[3]

Mr. Asakai said the point was that when the Japanese got the statement from the Secretary they thought there was a ray of hope. Was this not a reasonable thing to do? Mr. Robertson replied that the Secretary had been very careful. Mr. Asakai reasserted that the United States had given the Japanese hope. Mr. Robertson agreed, and said that it was true that there had been the hope that Defense might be persuaded to let in 200, but this hope had not been realized. The Ambassador said that the Japanese hopes had been dashed yesterday. Mr. Robertson replied that he had done his best but had not succeeded. Mr. Asakai went on to say that the Bonin Islanders were very decent and cooperative people to which Mr. Robertson agreed, saying he had met some of them two years ago right in this room.

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[2] For discussion of the Bonins, see Documents 186–188 and 192–193.

[3] The conversation in question was the one held at the Department of State at 2:15 p.m., June 21; see Document 193.

The Ambassador described the repatriation issue as a "hot ball". The United States Government had carried it for two months after the Kishi visit but now the Japanese Government would have to carry it for awhile. The issue was, he said, blown up all out of proportion. Mr. Robertson commented that it was similar to the Girard case. He had been out talking to some ex-soldiers and had told them plain facts about the Girard case which they had never read in the newspapers. The Ambassador thought it was a matter of emotions—like the nuclear test explosions. Mr. Robertson said on a recent evening he had met a highly literate group and had held with them a round table discussion on mutual security. These people despite their excellent education and presumable ability to get at the facts had held highly distorted opinions and were in fact misinformed. If such people were misinformed, it was no wonder that the ordinary man on the street was swayed by emotion.

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231. Telegram From the Department of State to the Embassy in Japan[1]

Washington, September 25, 1957—6:29 p.m.

740. Ichimada met with Treasury Secretary Anderson afternoon September 23.[2] Minister expressed thanks for Treasury help in assisting Japan successfully meet balance payments problem. In August international payments nearly balanced, reserves expected increase somewhat by end current FY. Minister said prices down by about 5 per cent since July, hoped trend would continue by like amount next 6 months. Draft JFY 1958 budget expected produce surplus of 50 to 100 billion yen. Forecast visible imports $3.2 billion, exports $3.15 billion, invisible account surplus $250 million, overall balance payments surplus $200 million end JFY 1958. Reiterated determination follow firm fiscal, monetary policy achieve financial stability, strengthen yen position.

Minister stated Japan contemplating IBRD loan request of about $300 million covering 5 year period for power, steel, highways. First priority given power, with projects handled in cooperation IBRD mission to Japan.

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[1] Source: Department of State, Central Files, 894.10/9–2557. Confidential. Drafted in NA, cleared in substance with the Treasury Department, and approved by Matlock.

[2] Minister of Finance Hiyato Ichimada accompanied Fujiyama to Washington.

Minister expressed fear pound devaluation as half Japan's trade with sterling area. Secretary Anderson revealed feeling British determined hold present value pound, said basic position appeared strong while speculation primary disturbing factor.

Minister said U.S., Germany appeared draining foreign exchange, implied both nations should take more steps correct situation. Secretary Anderson pointed out U.S. lost $13 billion dollar exchange during last decade, and that net dollar flow was out again second half 1957 after net inflow of dollars during first six months. He mentioned also that Germans had offered $75 million loan to IBRD. Minister expressed gratification and hoped for continuance new trend and constructive action. Particularly approved of IBRD, IMF activities in Far East. Secretary Anderson pointed out U.S. encouraging both institutions, said internal action by member countries basic to achieve stability, complimented Minister on Japan's firm action.

Minister stated it generally accepted in Japan that Prime Minister Kishi's government would continue several years but said Japanese leftist sentiment a serious factor. Defense budget particular left wing target. Japan determined keep promise increase defense but hoped [for] U.S. agreement substantial reduction Japan's share cost maintenance U.S. forces in Japan in view U.S. force withdrawals. Hoped for sympathetic U.S. consideration this problem.

Secretary Anderson noted request but hoped in turn that the Japanese would meet our request for early GARIOA settlement. Minister said he promised year ago Japan would turn to GARIOA negotiation after settlement Indonesian reparations. Kishi planned visit Indonesia soon, hoped for early settlement. Minister reiterated would keep GARIOA in mind "for this is an issue which we recognize we must settle."[3]

Japanese noted withdrawal half U.S. forces would mean sharp decline troop expenditures, expressed hope increased U.S. procurement to partly offset decline yen sales. Secretary Anderson stated U.S. would look into problem. He closed by indicating crucial importance timing in control inflation and danger responding too soon to pressure for relaxation. Minister agreed, said he determined resist pressure for premature relaxation.[4]

Dulles

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[3] Japan and the United States did not reach agreement on a GARIOA settlement during 1957.

[4] Telegram 738 to Tokyo, September 25, drafted in the Department of Commerce and cleared in NA, summarized discussion during a courtesy call by Ichimada on Secretary Weeks. (Department of State, Central Files, 033.9411/9–2557) Ichimada called on Secretary Dulles on September 26. Disarmament, world trade, and an Asian economic development fund were the principal topics of discussion. On the last subject, Dulles reiterated the U.S. position along the general lines he had set forth to Fujiyama

Continued

232. Editorial Note

On October 3, President Eisenhower replied to Prime Minister Kishi's letter of September 24 on the nuclear testing program. For texts of both letters, see Department of State *Bulletin,* October 21, 1957, pages 635 and 636, respectively. Documentation on the question of nuclear testing appears in volume XIX. Additional documentation regarding Japan's claims for damages allegedly arising from the United States nuclear testing program is in Department of State, Central Files 711.5611, 794.5, and 894.245.

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on September 23 (see Document 229). (Memorandum of conversation by Ockey, drafted September 27; Department of State, Central Files, 611.94/9–2657)

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233. Memorandum From the Deputy Director of the Office of Northeast Asian Affairs (Ockey) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, October 4, 1957.

SUBJECT

Proposed Action are Japanese Class A War Criminals

The Japanese have requested that the United States take the initiative in urging the governments represented on the International Military Tribunal for the Far East to reduce sentence to time served in the cases of the Class A parolees. Without White House intervention, the Clemency and Parole Board is prepared only to take this action in regard to the three civilian cases, plus termination of parole supervision in the remaining seven military Class A cases.[2]

To resolve this impasse and enable the United States to move ahead on this problem, NA has gained the informal concurrence of L/FE and the Executive Secretary of the Clemency and Parole Board to the following course of action: To convene a meeting of officers of the Washington embassies of the seven other governments represented on the Tribunal and outline the Japanese request and the action which the

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[1] Source: Department of State, Central Files, 611.9426/10–457. Confidential. Drafted in NA on October 3.

[2] Telegram 44 to Tokyo, July 9, reported in part that the Board's opposition to reduction of sentence to time served in the remaining Class A military cases was based on the "nature of crimes." (*Ibid.*, 694.0026/7–957)

United States is prepared to take. The United States representative would indicate the reluctance of our own Board to reduce sentence to time served in the seven military cases but state that the United States would concur in a majority decision of the governments concerned to do so.

In view of past actions of the other governments, it is quite likely that a majority would favor reduction of sentence to time served in all the cases.

Implementation of the foregoing proposal is contingent upon obtaining the approval of the Clemency and Parole Board to the United States representative informing the other governments that the United States would concur in a majority decision to reduce sentences to time served in the seven military cases. The Executive Secretary of the Board is of the opinion that the Board members would approve such action.

The next Board meeting will be held about October 11. Mr. Lyons has been appointed as the Defense representative on the Board.

Recommendation: That you authorize raising the proposal described above with the Clemency and Parole Board.[3]

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[3] Robertson initialed his approval of the recommendation on the source text. In a memorandum dated October 25, Ockey stated that he had met on the previous day with representatives of the seven member countries of the International Military Tribunal for the Far East. Ockey set forth the U.S. position as outlined above and subsequently approved at the Clemency and Parole Board's meeting held October 21, and all the other members stated that they would bring the matter to the attention of their governments. (*Ibid.*, 611.9426/10–2557)

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234. Letter From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Assistant Secretary of Defense for International Security Affairs (Sprague)[1]

Washington, October 5, 1957.

DEAR MANNIE: Thank you for your letter of September 18[2] with your clarification of the talks in June with Admiral Hoshina, Mr. Uemura and Mr. Kaihara. This letter was most helpful. We are pleased to note that no United States proposal was made for a change in the Military Assistance Program for Japan since, upon our joint authorization, Ambassador MacArthur assured the Japanese Government in August that this was the case. Moreover, I am informed that Finance Minister Ichimada, during his call on Secretary Wilson, was assured that our policy with regard to military assistance for Japan was unchanged.[3]

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[1] Source: Department of State, Central Files, 794.5-MSP/9-1857. Confidential. Drafted in NA on October 3.

[2] Document 224.

I recognize that the reduction in the Mutual Security aid level voted by the Congress[4] will require a reappraisal of the aid programs for all countries, including Japan. The Japanese Government, I am sure, is also aware of this fact. However, as you know, Prime Minister Kishi is the first Japanese Prime Minister since the Peace Treaty to show evidence of a real willingness to tackle the problem of building an adequate defense force in Japan. In June of this year he directed and obtained Cabinet approval for both a basic defense policy and an official defense plan covering the Japanese fiscal years 1958, 1959 and 1960. However, he still faces formidable opposition in this endeavor. Therefore, I know you share our concern that in considering our military assistance programs for Japan, we make certain that as far as possible such programs support the present effort of the Japanese Government to build an effective defense force.

In the light of the foregoing, we are most anxious that there be the closest possible liaison between our two departments and with our Embassy and military representatives in Tokyo. Through this means, military aid proposals will be carefully weighed in the light of their impact upon the Japanese defense build-up.

Sincerely yours,

Walter S. Robertson[5]

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[3] See footnote 11, Document 229.

[4] For text of the Mutual Security Appropriations Act of 1958, see 71 Stat. 601.

[5] Printed from a copy that bears this typed signature.

235. Letter From the Counselor of the Embassy in Japan (Morgan) to the Director of the Office of Northeast Asian Affairs (Parsons)[1]

Tokyo, October 14, 1957.

DEAR HOWARD: We have read with interest IR No. 7531 entitled "Main Currents in Japanese Political Affairs."[2] It is a well-written report and includes a lot of meat, but it strikes us that the general tenor is somewhat over-optimistic. On the whole the report seems to give the impression that Kishi's position is very strong and that the prospects for a fairly long Kishi tenure are correspondingly good.

Our feeling is that Kishi is only now approaching his real testing period and there are several elements of danger in his position. He is facing several difficult problems, including the labor question which is extremely delicate, an economic situation which is still uncertain, and a precarious balance of factions within the LDP itself. Kishi's personality has not taken hold on the great mass of the people despite his efforts to build a "Kishi boom." Judging from the present situation it is not at all certain that the conservatives will be able to increase substantially their total of Lower House seats in the next general elections. It may even be that they will lose a few.

While the conservative position has been somewhat overdrawn in the OIR report, it also seems to us that the vote-getting ability of the Socialists has been underestimated. We feel it is rather dangerous to assume Socialist internal difficulties automatically mean a dilution of their strength in outlying areas where national issues are often of little concern and Socialist unity is relatively greater.

Thus in general we fell that there is no reason for complacency in the situation here and that Kishi will need whatever assistance he can get from us to maintain his position.

I enclose a copy of this letter for our friends in DRF. We aren't trying to start a controversy, but thought both NA and DRF would like our reactions.

Best regards to all.

Sincerely,

George

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[1] Source: Department of State, Central Files, 794.00/10–1457. Secret; Official–Informal.

[2] Not found in Department of State files.

236. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State[1]

Washington, October 15, 1957.

SUBJECT

The OCB Progress Report on Japan:[2] State–Defense Split on Ryukyus

The NSC will consider on October 17 the Progress Report by the Operations Coordinating Board on United States policy toward Japan (NSC 5516/1)[3] covering the period from February 7, 1957. This report, concurred in by the Board on September 25, emphasizes the necessity for a vigorous follow-up of the Kishi visit. It submits for NSC resolution a split between the Departments of State and Defense as to whether a separate NSC policy paper is required on the Ryukyu Islands. The opposing views are set forth in detail in Annex C of the Report.[4] (Copy of draft Progress Report attached)

The reasons for a separate NSC policy paper on the Ryukyus are:

A. There is a clear need for coordinated United States Government agency actions with respect to the Ryukyu Islands where we are confronted with a highly complex delicate situation, which also has a direct bearing on our relations with Japan and on our reputation before the world.

1. The Ryukyus are located on the doorstep of Asia where nationalist and anti-colonialist feelings are running high.
2. The Ryukyus are the only place in the world where the United States can be charged with colonialism. We should make the Ryukyus a showcase for American democracy in the Pacific.
3. Japan is seeking early return of the Islands to Japanese control and meanwhile aspires to some participation in their administration. Japan wittingly or otherwise is abetting reversionist sentiment in the Islands.
4. Reversionism is also encouraged by the Ryukyuans' lack of national identity. They see no possibility of attaining one except through reversion to Japan as they have no affinity to the United States and little chance of survival as an independent nation. Since the Islands eventually are to revert to Japan, our policies and actions in the Ryukyus over the next few years should be carefully planned.
5. The need for long-range economic planning and for placing the Islands on a more self-sufficient footing is accentuated by the lessened prospective military construction program. Here, too, interagency planning is necessary.

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[1] Source: Department of State, Central Files, 794C.0221/10–1557. Secret. Drafted in NA on October 14.

[2] Dated September 25, not printed. (*Ibid.*, S/S–NSC Files: Lot 63 D 351. NSC 5516 Series)

[3] Document 28.

[4] Not found.

B. The current Executive Order, being a published document setting forth general objectives and operating procedures, is no substitute for an NSC policy paper.

C. There is no less need for an NSC paper with respect to the Ryukyus than there is with respect to other areas and problems in the field of foreign affairs. An NSC paper and its implementing OCB procedures would ensure coordinated United States Government activities toward the Islands.

Recommendation:

That you support the position favoring a separate NSC policy paper for the Ryukyus.[5]

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[5] The source text bears no indication of approval or action, but see Document 238.

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237. Letter From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Deputy Assistant Secretary of Defense for International Security Affairs (Irwin)[1]

Washington, October 17, 1957.

DEAR JACK: I am sorry that this reply to your letter of August 2, 1957[2] concerning United States policies regarding the Ryukyu Islands has been so long delayed. Representatives of our two Departments have had many discussions, however, of this and related matters during the past few months as a result of the visits to Washington of Prime Minister Kishi, Foreign Minister Fujiyama and other Japanese officials. Nevertheless, it seems desirable to reaffirm our position regarding policies which we believe will make possible our continued occupancy of the Islands for as long as "conditions of threat and tension persist in the Far East."

Your letter of August 2, 1957, alleges a basic difference of view between the Department of State and the Department of Defense on the implementation of United States policy in the Ryukyus. Whatever difference we have involves tactics, not objectives. The State Department is in full accord with the Defense Department as to the necessity for strategic reasons for the United States to remain for a long time in the Ryukyu Islands; also that the United States stake is such as not to brook our sharing administrative responsibilities with Japan. The State Department likewise shares the conviction of the Defense Department that our attitude on this subject should be firm and should be made clear to the Japanese. The major point in your letter upon which we disagree is how to handle the problem of reversionism.

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[1] Source: Department of State, Central Files, 794C.0221/10–1757. Confidential. Drafted in NA on October 14.

[2] Not found.

The Defense position, as I understand it from your letter, is that only by taking every possible opportunity for actions and statements to remind the Japanese of the exclusive United States administration and control of the islands will the United States be able effectively to reduce reversionist activity in the Ryukyus and Japan.

The Department of State believes that unnecessary "stirring" of Japanese sentiments of this question will increase rather than decrease Japanese agitation and lead to enhanced reversionist sentiment on the part of the Ryukyuans.

This Department views reversionism in the Ryukyus essentially as an expression of the desire of the Ryukyuan people to belong to a country. It is a basic sentiment that cannot be suppressed. The United States has affirmed to Japan the United States policy that the Ryukyu Islands should eventually be returned to Japan. If this position were to be changed and if the Japanese were to be told that the islands would be alienated from them for the foreseeable future, the effects on United States relations with Japan would be most unfortunate. Acts performed to demonstrate the long-range character of the American presence in the islands can be expected to create anti-Americanism, unrest, and a sharp increase in Japanese agitation and in reversionist activity in the Ryukyus. This would provide additional ammunition for the growing leftist anti-American opposition in the islands.

The development of Japan as a major power in the Far East associated with the Free World is a fundamental United States policy. Since its entry into the United Nations in December 1956, it has also assumed an important position in world affairs. It has a legitimate interest in the Ryukyus whose people are Japanese nationals and over whose territory Japan possesses residual sovereignty. Under these circumstances, Japan could probably muster a substantial body of international support if it chose to protest United States policies and actions in the Ryukyus. Therefore, even under the present degree of control, the United States needs Japanese understanding of the United States position to permit effective carrying out of our program in the Ryukyus. A calculated policy of "snubbing" Japan with respect to the Ryukyus could not only seriously impede currently successful efforts to establish close working relationships with Japan but as a consequence might also hurt our military position in the Ryukyus as well as in Japan itself.

With regard to the proposed introduction of United States currency into the Ryukyu Islands, this Department disagrees that it would have an inhibiting effect on reversionist activities. On the contrary, it could produce strong reaction in the Ryukyus and Japan similar to that caused by the announcement in June 1956 of the new long-term land acquisition program. Such agitation and unrest at this time would add greatly to the growing wave of anti-Americanism and dissatisfaction from which Mayor Senaga of Naha draws his support and which he will certainly try to unify into an opposition movement affecting all of the Ryukyus. The political objections to the introduction of dollar currency are sufficiently serious in our view to outweigh possible economic advantages. Our position on this aspect of the problem was set forth in my letter to Mr. Roderick, dated August 2, 1957,[3] to which we have as yet received no response.

Sincerely yours,

Walter S. Robertson[4]

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[3] Document 203.

[4] Printed from a copy that bears this typed signature.

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238. Memorandum of Discussion at the 340th Meeting of the National Security Council, Washington, October 17, 1957[1]

[Here follow a paragraph listing the participants at the meeting and items 1–3.]

4. *U.S. Policy Toward Japan* (NSC 5516/1; Progress Report, dated September 25, 1957, by OCB on NSC 5516/1)[2]

Mr. Dearborn[3] briefed the Council on the contents of the reference Progress Report, and pointed out the difference of view between State and Defense as to the desirability of a separate U.S. policy statement on the Ryukyus, which State advocated and Defense rejected. Secretary Smith commented that Secretary Dulles believed that if there were a good working relationship between State and Defense on problems like this, there might not be any real need for a policy statement on the Ryukyus separate from the existing policy on Japan. Accordingly, Secretary Dulles wished to recommend that the matter of working relations between State and Defense be investigated before the NSC acted on the split of views on this point in the Progress Report.

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[1] Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on October 18.

[2] The Progress Report is not printed. (Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5516 Series)

[3] Frederick M. Dearborn, Jr., Special Assistant to the President for Security Operations Coordination.

The National Security Council:[4]

a. Noted and discussed the reference Progress Report on the subject by the Operations Coordinating Board.

b. Concurred in the proposal by the Department of State that the alternative views of State and Defense regarding U.S. policy toward the Ryukyus be deleted from the Progress Report, and that the question of a separate NSC paper on policy toward the Ryukyus be held in abeyance pending further study by the Departments of State and Defense.

Note: The action in b above, as approved by the President, subsequently transmitted to the Secretaries of State and Defense; and appropriate revisions subsequently circulated to all holders of the reference Progress Report.[5]

S. Everett Gleason

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[4] Paragraphs a–b and the Note that follow constitute NSC Action No. 1806. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[5] These revisions were incorporated in the September 25 Progress Report.

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239. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, October 18, 1957—8 p.m.

1134. For Secretary and Robertson. Dept pass Defense. Re Embtel 699.[2] While I know how desperately busy you are with ME crisis, following situation in Japan is one such great importance to our long-term position here that I feel I must bring it to your attention.

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[1] Source: Department of State, Central Files, 794.00/10–1857. Confidential. Repeated to CINCPAC for POLAD and to COMUS Japan.

[2] Telegram 699, September 6, transmitted the Embassy's analysis is of political trends in Japan. (*Ibid.*, 794.00/9–657)

In my judgment, forthcoming Japanese elections will influence strongly our future position and interests not only in Japan but in Far East and South Asia. I believe these elections as important to our position in this part of world as recent German elections were to our position in Europe. Outcome will most certainly affect long-term political orientation of Japan. Though timing elections remains uncertain there is possibility they will occur early next year. Hence it important review now Kishi's position and prospects and particularly to consider implications in terms US policy during coming months.

1. In broad terms, Kishi has tried create atmosphere of forward movement in terms of Japan's domestic and foreign problems designed to appeal to reviving national mood of self-confidence and purpose. He can stand on record of considerable accomplishments during short seven months in office: transition from Ishibashi regime was handled capably, budget passed on time, Cabinet eventually reshuffled without ~~major setback~~; new phase in US–Japan relations inaugurated with Washington talks; Japan's prestige enhanced by election to UN SC; Asian ties promoted by SEA trip and exchange of VIP visits, notably recent Nehru visit which GOJ considers unqualified success; conservative factionalism though active is no longer as rampant as in Hatoyama era; govt policy program substantially developed for fall political season; rather stringent measures adopted to cope with difficult economic situation seem to be having some success in redressing critical balance of payments situation. Kishi has tried to enhance atmosphere of action by modern public relations techniques, used for first time on extensive scale in presenting conservative policies to public.

2. However, there is another side to picture. As I reported in Embtel 2206 April 4 [3] (which was before extent of balance of payments deterioration clearly evident), Kishi's two basic problems were to build up his personal popularity and to consolidate his party and reduce factionalism to manageable proportions.

a. Personal popularity. It is fact that contrary to his hopes and expectations Kishi has not as yet developed wide personal popularity. Reports on stumping speeches in Tokyo, Hokkaido, and Kanasai show at best only mild enthusiasm in most areas. To considerable extent this is because policies he has enunciated do not have emotional appeal. Also, while he has personality which appeals to Westerners, it has not as yet got across with Japanese public.

b. Factionalism. Though factional strife within LDP has on surface been mitigated, it is swirling below surface. Balance of power in LDP remains precarious and could easily be upset if Kishi's strength shows signs of declining. Thus Kishi must keep wary eye on those waiting for chance to assume his mantle—notably Miki, Ikeda, and above all

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[3] Not printed. (*Ibid.*, 794.00/4–457)

Kono, who has emerged already as strong man in Cabinet and is conceded to have great ambitions (Embtel 1052).[4] Kono essentially soldier of fortune but has powerful sources financial support. Miki and Ikeda are strongly anti-Kono but at moment, due lack powerful positions in govt, must bide time, content selves with behind-scenes maneuvers aimed at holding Kono influence to minimum. To realize long tenure in office Kishi must for present continue play careful game restraining all three but incurring hostility none.

c. Kishi now also has economic problems. Recent rice price increase and threat of other increased living costs can affect adversely his position. Also domestic impact of measures used to restore balance of payments may also have serious political implications in coming months.

3. Kishi's political platform:

a. Foreign affairs. Kishi has taken calculated domestic political risk in staking future his govt on central thesis of cooperation with free nations, notably US and Asian countries. He has come out openly against Communism and neutralism and in favor of free world cooperation. Moreover he has explained and defended this policy before public as even Yoshida never did. (While Yoshida, Hatoyama, and Ishibashi govts all considered relations with US as the basic factor in Japan's international policies, Japanese people as whole wanted greater independence from America. This explains to considerable extent popularity Hatoyama's position for restoring relations with Soviets and also enthusiasm for Ishibashi who first pushed policy of expanding trade with Communist China.) Position Kishi has taken has no such popular appeal and therefore leaves him open to attack from those elements, not only Socialists, neutralists, and Communists, but also some conservative circles who desire looser association with US and closer ties with Asia including Communist China. Concrete signs of greater advantage for Japan from "new era" in US relationship such as establishment new security committee, partial withdrawal US military forces, ability Japan to stand up to US on key issues such as suspension nuclear tests and greater trade with Communist China, have helped Kishi's stand thus far. But any slippage from spirit of new era developed during Washington visit, in form of trade discriminations or impression that now Kishi's visit is over we no longer interested in bringing about necessary readjustments in Japan–US relations, is sure to be used as powerful political ammunition against Kishi.

b. Domestic. Two of most dangerous developments in Japan in past few years have been increasing Communist and Marxian influence in labor and education. Kishi govt recognizes this and has adopted firm position to counter extreme left influence over labor and also to redress situation in vitally important field of education. (These are obviously controversial problems, with strong emotional overtones.) Because of Kishi's background it leaves him open to charges of

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[4] In telegram 1052, October 10, the Embassy gave its estimate of Kono's probable goals during his forthcoming visit to Washington. (*Ibid.*, 033.9411/10–1057) Regarding his visit, see Document 241.

"authoritarianism" and "trying to set clock back to pre-war situation", which his predecessors (who did nothing in these fields) did not have to face.

4. Date of elections. Kishi will of course tie [*try*?] elections for date of estimated maximum advantage. Broad alternatives are (a) dissolution of lower house late this year or early 1958, with elections following in month's time; (b) dissolution after passage budget late March or early April; or (c) delay until fall 1958. While decision not yet made and will depend largely on evolution of situation in coming weeks, general feeling at this juncture is that early rather than late elections are a possibility.

5. Estimate of situation.

a. Complacency re outcome of next elections is not warranted. Few qualified observers here believe that if elections were held today LDP would make more than very slight gains at best. Some even think loss of a few seats more probable.

b. If LDP fails to achieve electoral gains, and thus fails to reverse trend toward left of past several years, Kishi's position and future will be threatened. In particular, failure of Kishi to establish his own leadership by registering gains in elections almost certain to cause renewed outbreak of factionalism within LDP by individuals who will start maneuvering to succeed him. This would probably lead to progressive erosion of Kishi's position and general conservative position along with it.

c. If Kishi fails, his long-range constructive domestic program for Japan including strengthening of political, economic and military structure, and constitutional revision may go down drain.

d. While Kishi has his defects, he is at present by far best leader in sight in terms of US objectives. If he loses out, his successor likely be weaker or less cooperative, or both. Prospects in that case would be for deterioration of US position and interests in Japan and, correspondingly, in Far East.

e. Point I want to emphasize is that thus far lacking personal appeal to voters, Kishi must depend for success primarily on continuing to build record of substantial achievements in line with his program.

6. Summary and recommendation.

a. US has vital stake in outcome of next Japanese elections.

b. Since elections might occur early next year, it is strongly in US interest to do whatever we appropriately can in next several months discreetly to help Kishi build a further record of positive achievement. Strengthing Kishi position in pre-electoral period will not only help him in elections but also aid him in keeping factionalism (notably Kono) in hand in coming months. We should be thinking about things we might do which would strengthen Kishi just as we have done with Adenauer in last two elections.

c. I strongly recommend that as matter of urgency we begin at once an active study (possibly by high level group) to see where we might be helpful in strengthening Kishi. It is most important that wherever it possible to be helpful in pre-electoral period, we act so as to influence election outcome rather than delaying our action until after elections.

In immediately following telegram I will enumerate some problems where it seems to me there are possibilities of being helpful to Kishi.

MacArthur

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240. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, October 18, 1957—9 p.m.

1135. Department pass Defense. For Secretary and Robertson. Re Embtel 1134.[2] Following are some of problems which I think should be studied at once looking to action on our part in reasonably near future. I believe they would contribute to strengthening Kishi's hand. Sooner we can move in any of these or other fields the better since time in some cases would be required to produce positive results.

Recommendations:

1. Taking a more positive position with ROK on necessity for it to be more forthcoming in reaching ROK–Japan settlement. ROK actions are burning issue in certain parts of Japan, notably Kyushu which I recently visited. Japanese liken ROK actions in seizing and imprisoning Japanese fishermen and also in not releasing those who have served their sentences to action of Chinese Communists re US prisoners. They point out ROK holding fishermen as political hostages in violation of basic principles of humanity. A ROK–Japan settlement would be great feather in Kishi cap. But if this not possible, release of at least those Japanese fishermen who have served out their sentences (with suitable reciprocity by Japanese on ROK detainees) would certainly be welcomed as substantial achievement by Kishi.

2. Another achievement for Kishi would be to settle Vietnam and Indonesian reparations. Any discreet action which might be feasible for US to take with Vietnam and Indonesia to encourage a settlement would be most helpful.

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[1] Source: Department of State, Central Files, 611.94/10–1857. Confidential. Repeated to CINCPAC for POLAD and to COMUS Japan.

[2] *Supra.*

3. Trade, particularly with US, is matter of life or death to Japan's economy. I understand we will face very serious efforts early next year by certain interests in US to impose quotas or restrictions on Japanese trade. I do not believe we can wait until Congress reconvenes to counteract such efforts. I recommend that US Govt beginning now undertake a systematic campaign to enlighten American public as to vital importance, in terms our own enlightened self-interest, of US-Japan trade. Such campaign should include efforts by govt to enlist support US business interests in Japan. I have recently talked about this with number of prominent American businessmen visiting Japan who have interests here. Many seem sympathetic and well disposed. If US Govt officials could in public speeches and statements stress importance to US of Japan trade and at same time encourage American businessmen with interest here to do same, much good might be accomplished.[3]

4. Utilize every opportunity to strengthen Kishi in field of SEA economic development consistent, of course, with US policies and programs in region. Kishi and GOJ now fully understand that original Kishi development fund with US backing not feasible in foreseeable future, but they continue to look to US financial support for good projects that may be developed on case-by-case basis. We should be prepared to move quickly in evaluating projects that may be submitted for our consideration. It is of pressing importance that we make known as soon as possible the basic rules under which loans may be obtainable from the President's fund and the new development loan fund. Our own resources in technical assistance might be geared to the search for and evaluation of development projects. Unless quick progress made in this general direction, opposition will certainly attack Kishi for ineptness in making futile proposals that were flatly rejected by US. Fuller views and suggestions on SEA development are being sent in a separate message.

5. In any statement or speeches made about Japan in Washington or here by visiting US officials (civilian or military), we should study content with utmost care to be sure they will be helpful rather than embarrassing to Kishi.

6. In recent months Japanese fishermen have in number of instances encroached on territorial waters in Bonins and Central Pacific. I fully understand Navy's concern and Embassy has made representations to FonOff re this matter. I have no complaints about Navy's action. However, in handling such cases in future we should bear in

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[3] MacArthur attached a memorandum dated November 12 to a letter to Secretary Dulles dated November 15; in this memorandum he enlarged upon the points made in numbered paragraph 3. MacArthur also sent copies to Herter and Dillon. (Attachments to letter of acknowledgment from Herter to MacArthur, December 4; Eisenhower Library, Herter Papers, Chronological File)

mind very important pre-electoral period in which we now find ourselves and handle them in way calculated to do least damage. It important to avoid impression that our actions are parallel to those of ROK and Soviets. In cases where there is doubt, I would hope we could give Japanese benefit of doubt.

7. We should start at once to prepare plans for compensation for Bonin Islanders (Deptel 72)[4] which could be put into effect promptly if we decide such action is necessary. (Japanese note of 2 July 1956 [*1957?*], reported in despatch 317 July 11 remains,[5] so far as we know, without substantive reply.) Bonins could become important election issue, and failure to have official US Govt position agreeing to compensation which could be made public at appropriate time before elections could place Kishi in very disadvantageous position. Important thing is that US demonstrate [that] humanitarian considerations not lost sight of in our handling of Bonins, despite need for strategic reasons to deny request for even partial repatriation.

8. We should of course continue to move ahead as rapidly as possible on war criminal problem. I conveyed substance Deptel 839[6] to Fujiyama Oct 14 and Japanese reaction should be forthcoming shortly. I strongly hope Dept can find way to reduction of sentence to time served of all ten Class A parolees.

MacArthur

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[4] Apparent misreference; telegram 72 to Tokyo, July 11, deals with a different subject. (Department of State, Central Files, 353/7–1157)

[5] Apparent misreference; the fiscal year 1958 despatch series did not reach 317 by July 11.

[6] Telegram 839 to Tokyo, October 8, concerned details involved in the transfer of deliberation on parole of war criminals from the Clemency and Parole Board in Washington to a Japanese board. (Department of State, Central Files, 694.0026/9–457) For the result of this process, see Document 247.

241. Memorandum of a Conversation, Department of State, Washington, October 21, 1957, 2:30 p.m.[1]

SUBJECT

Japanese-American Relations

PARTICIPANTS

Mr. Ichiro Kono, State Minister of the Economic Planning Agency
Mr. Takizo Matsumoto, Parliamentary Vice Minister for Foreign Affairs
Mr. Koichiro Asakai, Ambassador E. and P., Embassy of Japan
The Secretary
Mr. Walter S. Robertson, Assistant Secretary for Far Eastern Affairs
Mr. William C. Ockey, Deputy Director, Office of Northeast Asian Affairs
Mr. James V. Martin, Jr., Officer in Charge, Japanese Affairs

Mr. Ichiro Kono called on the Secretary at 2:30 p.m. October 21, in company with Vice Minister Takizo Matsumoto and Ambassador Asakai.

The Secretary, after greeting the visitors cordially, said that Mr. Robertson had already described to him the earlier conversation with Mr. Kono[2] and, in order to make the best use of time, they might avoid repetition. Mr. Kono desired to discuss the political situation in Japan. He said the policies of the Kishi Government were unchanged except for the necessity to follow an austerity program temporarily. Responding to the Secretary's query about the next elections, Mr. Kono said that it was his understanding with Mr. Kishi that they would be held in August or September of next year. Prior thereto, the Cabinet would tighten the budget and, with the resulting surplus of 50–70 billion yen, government popularity would be regained. A two-thirds majority in the lower house seemed assured. The Secretary asked if this was being sought in order to amend the constitution. Mr. Kono said that it would put things on a firm basis. The Cabinet also intended to change the election law for the upper house (eliminating the national constituency) to insure over two-thirds majority in elections next June. The political situation should be settled in a year and a half but formulating party plans would require an additional six months or so. This was the consensus at the latest Liberal-Democratic Party meeting. Consequently, Mr. Kono believed that Mr. Kishi should remain in control for at least that long.

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[1] Source: Department of State, Central Files, 611.94/10–2157. Secret. Drafted by Martin on October 25 and initialed by Robertson, indicating his approval.

In a memorandum to Dulles dated September 13, Robertson stated that Kono would be in Washington and New York October 18–24, while en route to the Twelfth Session of the GATT in Geneva. Robertson commented:

"Prime Minister Kishi and Foreign Minister Fujiyama have asked the Ambassador personally to request that you receive Mr. Kono while he is here. Mr. Kono is very energetic and ambitious. It is alleged that he feels that because of his role in the negotiation of the Japanese-Soviet agreement restoring diplomatic relations he is regarded by our Government as being soft on Communism and someone who is willing to work both the Soviet and Western sides of the street. While supporting Mr. Kishi at the present, he unquestionably has ambitions some day to be Prime Minister. Mr. Kono wishes to assure you of his staunch pro-Western and anti-Soviet orientation, and the Prime Minister believes it would be particularly valuable for him so to commit himself in talking with you.

"Ambassador MacArthur strongly recommends that you receive Mr. Kono and FE concurs." (*Ibid.*, 033.9411/9–1357)

[2] In a conversation held at noon that day, Robertson and Kono discussed some of the same topics treated in the discussion between Kono and the Secretary, as well as Japan's desire for P.L. 480 commodities under the current Congressional authorization of $1 billion. Robertson told Kono that funds were insufficient to include Japan under that authorization. (Memorandum of conversation by Martin, October 25, and telegram 975 to Tokyo, October 23; *ibid.* 611.94/10–2157 and 411.9441/10–2357, respectively)

Kono also discussed economic matters the morning of October 23 with Under Secretary Dillon and Secretary Weeks; these two conversations are summarized in telegrams 988 to Tokyo, October 24, and 996 to Tokyo, October 25, respectively. (*Ibid.*, 411.9441/10–2457 and 411.9441/10–2557) On October 22, Kono discussed P.L. 480 with Under Secretary of Agriculture Morse. The talk is summarized in telegram 982 to Tokyo, October 24. (*Ibid.*, 411.9441/10–2457) U.S. and Japanese officials, at Japanese request, again discussed a P.L. 480 program for Japan under the available $1 billion authorization several times in 1957, but the Embassy in Tokyo gave a final negative answer on or about December 16. Documentation is *ibid.*, 411.9441.

Mr. Kono said that, as far as domestic politics were concerned, everything was pretty well under control. However, Mr. Kishi had been too hasty on the international front and had said too much, for instance, on Okinawa and the Bonins as a result of being pushed by the Socialists.

The Secretary asked if he meant that Mr. Kishi had held out hopes which could not be realized. Mr. Kono did not answer directly but said it was absolutely necessary to achieve concrete progress in the solution of problems in Japanese-United States relations. The Secretary replied that we had done quite a few things when Mr. Kishi was here. He mentioned the Japanese-American Committee on Security as lending a bilateral atmosphere to security arrangements. Mr. Kono said that the Committee had met twice but that it has not made any progress toward getting anything definite accomplished. Moreover, the withdrawal of United States forces was not a "plus" for Japan because it was not favorable to the foreign exchange position.

Secretary Dulles said that we would see what specific things could be done. However, the best relation between countries was one which did not rest on periodically making presents to each other. A bride and groom exchanged gifts before marriage but did not make a practice of it thereafter, though they lived happily together. The United States could not constantly search for something to give. It did not do so in the case of its best friends.

Mr. Kono insisted that concrete progress must be made on at least one or more of the deadlocked issues of which there were four main ones: ROK-Japanese negotiations, Okinawa, the Bonins and Southeast Asia economic development. Regarding the first, public sentiment in

Japan believed that the United States could at any time step in and solve ROK-Japanese differences. Regarding the other three, the government of Japan understood the United States viewpoint but this did nothing to advance the Kishi Government. If it were not for these pending problems, Japan could follow the Secretary's doctrine.

The Secretary said that the United Sates had exerted upon Syngman Rhee all the pressure that was possible between self-respecting governments, in order to resolve Korean-Japanese disputes. However, Mr. Rhee was immovable, a fact which his broken hands made understandable.

The Bonin Islands question was not deadlocked but finished, said the Secretary. He had studied every square mile on maps of the islands, searching for possible areas for repatriation. United States security requirements are such that we cannot bring anyone back. We would be better off now if those that were allowed to return had not been repatriated.

On the Southeast Asia development fund, the Secretary remarked that no country had the resources to put up $500 million as capital and then look for ways to put it to work. We had been looking for years to find good projects that might be capitalized jointly. Any worthy project would have our consideration. It was unreasonable, however, to create a new banking institution for every project which might come to mind. To create a regional fund in Southeast Asia would increase demands for the creation of similar regional funds elsewhere. One could not afford to segregate large batches of money. While we could not therefore participate in such a fund, we would welcome the opportunity to study any concrete projects in which Japanese backing needed supplementing by American capital.

On the Ryukyus, the Secretary recalled that when he started negotiating the Peace Treaty it was agreed that the Ryukyus should be detached from Japan. As he recollected, they had settled upon the 29th parallel instead of the 30th and the Japanese had regarded this as very generous. Later they had clamored to regain the Amami Islands. The United States had returned them. There was great rejoicing for a few days. Now the Japanese wanted more. The United States could not operate on these principles but must think in terms of the fundamentals of world security and the balance of world power. The basic thing was that Okinawa was strategically essential in the Far East, offering protection to Australia, New Zealand and the Philippines in addition to Japan itself. The United States could not upset the power balance in Asia just to give a present which might be appreciated for a few days by Japan. While the job had to be done, the United States had to have Okinawa to do it. We were willing to retire when it could be done safely but not willing to retire just to give a Christmas present to Japan.

The Secretary said that we respect the Kishi Government, of which Mr. Kono was a part, and understood the reality of politics. We wished to do what was helpful. However, Japan should be satisfied, on the basis of our record, that her interests run parallel with ours and that we do help each other. He said that there was more ground for cooperation than was being utilized, probably for fear of criticism by the Communists in Japan. He wished to point out that Chancellor Adenauer had freely acknowledged the benefits of cooperation with the United States and had not suffered, but on the contrary had profited thereby. The United States wanted Japan to be prosperous, strong and able to carry the responsibilities a free nation must carry. The Secretary cautioned Mr. Kono that Japan should not try to force us out before Japan was ready to pick up the load it was asking us to lay down. The price of so doing could be the loss of Japan's independence and the retreat of the United States to its own west coast. That would result in an unhappy world.

The Secretary said that he had spoken so frankly only because he considered that he was talking to a friend and that it was his earnest desire for Japan and the United States to find a basis for working together.

Mr. Kono said he wanted to use the brief remaining time to make two things clear: (1) Japan would take no neutralist stand like India but would bear its responsibility as a member of the free world. (2) With respect to relations with Soviet Russia and Red China, Japan was drawing a clear line between economic and political relations. There was a trade and navigation agreement presently under negotiation. Japan would not enter into a political agreement such as the Soviets desired. Just prior to leaving Japan, Mr. Kono had given orders to formulate the new organization through which Japan planned to channel all its relations with the Soviet Union. Favorable trade was more important to Japan than getting back Okinawa and it was most important that the United States help Japan to expand trade. The time was up but he would like to say that on the basis of the thoughts exchanged today with the Secretary, he would talk with other Cabinet ministers.

Leaving the Secretary's office, Mr. Robertson asked about the Orissa project.[4] Mr. Matsumoto replied that Prime Minister Nehru had been against a Southeast Asia fund at the start but, after visiting Japan, had expressed himself as more favorable to the concept. Mr. Robertson urged that the Japanese come to us whenever they had a concrete proposal.

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[4] Reference is to a Japanese project in furtherance of Indian economic development.

242. Memorandum of a Conversation, Department of State, Washington, October 23, 1957[1]

SUBJECT

The Formula for Sharing Defense Costs in Japan

PARTICIPANTS

Mr. Ichiro Kono, State Minister in Charge of the Economic Planning Agency
Mr. Takizo Matsumoto, Parliamentary Vice Minister for Foreign Affairs
Mr. Takeso Shimoda, Minister Plenipotentiary, Embassy of Japan
Mr. Shinichiro Miyakawa, Chief, Secretariat, Economic Planning Agency
Mr. John N. Irwin II, Deputy Assistant Secretary, Department of Defense
Mr. Arthur Way, Department of Defense, ISA
Mr. Max Lehrer, Director, Economic and Fiscal Analysis Division, Department of Defense
Mr. Howard P. Jones, Deputy Assistant Secretary for Far Eastern Affairs
Mr. William C. Ockey, Acting Director, Offices of Northeast Asian Affairs
Mr. James . Martin, Jr., Officer in Charge, Japanese Affairs, NA

A meeting between State Minister Kono and American defense officials was held at the State Department in accordance with Mr. Kono's request made to Mr. Robertson on October 21.[2] Mr. Way acted as spokesman for the Department of Defense in the absence of Mr. Irwin who was detained elsewhere until the meeting was almost over. Mr. Jones presided.

Following an exchange of cordialities, Mr. Kono said that when Finance Minister Ichimada was in the United States recently he had discussed next year's budget, and, in this connection, Japan's share of expenditures for United States forces in Japan. Mr. Ichimada had brought this matter up because a large portion of the United States forces was being withdrawn and expenses were dropping. Mr. Kono wanted it understood that he himself was not trying to disturb the formula. The formula had been agreed upon and it should be observed.

Mr. Way said that he had been at the meeting between Finance Minister Ichimada and Secretary Wilson, when the Military Assistance Program had been discussed.[3] Defense had indicated that there would be no change in policy for the program but it would be necessary to consider the fact that Congress had cut $500 million from the budget for this program. Priorities would have to be considered and the greatest importance would be given to situations where there was war, where there was a suspended war or where there were threatening friction patterns. In this context Japan would have a lower priority.

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[1] Source: Department of State, Central Files, 794.5/10–2357. Confidential. Drafted by Martin on November 5.

[2] According to Martin's memorandum of the conversation between Kono and Robertson, Kono had requested that the meeting be held at the Department, rather than the Pentagon, to avoid press attention. (*Ibid.*, 611.94/10–2157)

[3] No record of this meeting has been found.

Mr. Kono said that the following year's defense budget was being organized now in Japan. There would be an increase of 20 billion yen over this year, one-half of which would be covered by the United States according to the expense sharing formula. Mr. Ichimada upon his return to Japan had said that he had indicated to United States officials that he would like to have more than this proportion covered by the United States. Mr. Kono asked whether Mr. Ichimada had in fact made this suggestion. Mr. Way did not recall the details; however, he said that the Finance Minister clearly had been anxious to put Japan in the best possible financial condition, and his sentiment had been appreciated by the Defense Department. There was throughout the United States Government and in its Defense Department an awareness of Japan's economic difficulties. The Defense Department was glad to help in the defense area through programs such as the Military Assistance Program, and on such matters it worked closely with the Department of State. When any policy decisions had to be made, however, a government position had to be reached in the early stages.

Mr. Kono said that he and Mr. Ichimada were close friends. Mr. Ichimada had reported that he had reached agreement with United States Defense officials and that the United States would cover one-half of Japan's defense budget increase because of the removal of combat forces from Japan. Mr. Kono said that upon returning to Japan he would have to defend Mr. Ichimada in the Cabinet. He wished to know whether there had in fact been such an understanding.

Mr. Way did not think that Mr. Ichimada could have gotten such an idea from his meeting with Secretary Wilson at the Defense Department. There must, he thought, be some confusion. Mr. Matsumoto remarked that this was a very important point. Misunderstanding could cause trouble in formulating the Japanese budget. Mr. Jones stated that this matter had not been discussed in any talks which Mr. Ichimada had here at the State Department.

Mr. Lehrer asked if Mr. Ichimada had indicated in his recent report to Cabinet officials in Japan who in the Defense Department had given him the impression that the United States was willing to change the formula. Mr. Kono said he had not named anyone. He had merely stated he had gained the impression that since United States forces were to be cut so drastically the United States would cover not only the 10 billion yen required of it by the formula but an additional 3 to 5 billion yen. Mr. Way said that so far as he knew the point had not been discussed. The Defense Department could not have consented to such a proposal without prior discussions with the Department of State. It would probably be several months before Defense officials would have available the facts essential for making any such decision.

Mr. Kono said that he understood, and that what Mr. Ichimada had told him then was not true. Nevertheless, since the Japanese Government was formalizing its budget and since it was following a tight money policy, no items except the defense item were being increased. The defense increase was contra to the general policy of economy. If Mr. Ichimada was wrong, and there was no new agreement about the formula, then perhaps he may have gotten some other agreement—possibly on mutual assistance. Mr. Kono added that it would be helpful it some such agreement could be had.

Mr. Way stated that Secretary Wilson had informed Mr. Ichimada that all Finance Ministers were searching for more money. Mr. Wilson had turned to Mr. Way and had asked him to explain the formula. Officials in the Defense Department had expected Mr. Ichimada to pay a courtesy call only and naturally they were not prepared to give an answer to a specific question of this kind.

Mr. Lehrer remarked that the basis of the formula was that as the Japanese self-defense forces grew they would take over increased responsibility for the defense of Japan, permitting the progressive withdrawal of United States forces from Japan. The United States share of increased Japanese defense costs constituted an incentive to Japan to assume more of the burden so that the United States could pull back its own forces. The policy had proved successful, and its success should constitute no cause for concern. Mr. Kono accepted this position but pointed out that the Finance Minister had a responsibility which he, Kono, shared because of his general responsibilities for Japanese economic planning. If the alleged understanding with Ichimada did not exist perhaps the United States might arrange some other assistance, for example on the P2V7's. The offer of such assistance would be helpful to the Japanese Government in its defense of increased expenditures in the face of an austerity budget. Mr. Way said that the Defense Department was working on this matter. As to the formula it was too early to discuss it; another two months at least were required.[4]

Mr. Jones remarked that this was the first time he had had an opportunity to discuss this subject, and he thought that what Mr. Way had said was very much to the point. However, he was glad to have Minister Kono's views which would be given consideration.

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[4] For text of the Agreement concerning a cost-sharing program for production and development in Japan of P2V aircraft, effected at Tokyo by an exchange of notes on January 25, 1958, see TIAS 3984; 9 UST 124. Documentation on the negotiation of this agreement is in Department of State, Central Files 611.94 and 794.5-MSP for 1957–1958. For the Department of State position on the proposal, see Document 244.

Mr. Lehrer said that United States costs had not dropped proportionately in Japan with the reduction of United States forces there. The reason for this was that the units which were least costly to maintain had been or were being withdrawn. Meanwhile expenses were rising on those units which remained in Japan. Mr. Kono appreciated the point that Mr. Lehrer had made. He said that whenever a Japanese representative initiates a request it might appear to be opportunistic, but he hoped that United States officials would realize that Japan had suffered last year from an overexpanded budget.

Mr. Way said that the Defense Department had appreciated its dealings with Japanese Government officials. Mr. Kaihara of the Defense Agency was well liked in Washington and American Defense officials were glad that he was coming here. His presence should be helpful in future discussions.

Mr. Kono asked for American understanding. He said that since the Japanese Government had promised to increase its defense budget it would do so, but he wanted the American Government to know that the Japanese Government was in a very painful position in light of its austerity program.

Mr. Way said that the Defense Department was very happy to see the $80 million increase in the JSDF budget. The American Government had been under criticism for its large contributions to Japanese defense because Japan itself was only putting 1.5% of its gross national product into its defense forces whereas the United States puts about 10% of its gross national product into defense purposes. Therefore, we were glad to see Japan's defense budget increasing this year. The increase was an indication of the new understanding achieved when Mr. Kishi visited Washington. American officials would be happy to do what they could to make it easier for the Japanese Government to get its proposed budget approved in the Japanese Diet. Mr. Kono said the details would be covered in the Joint Committee in Tokyo. He would appreciate whatever the United States could do to help. Mr. Way remarked that we had a Congress, too, in the United States and he hoped that Mr. Kono would understand the problems which this entailed. Mr. Kono replied that 1.5% of the income of a poor nation meant more to it than 15% of the income of a large nation. Mr. Way said that he appreciated this fact and noted that the present contribution which Japan made to the maintenance of United States forces in Japan was down to one-half of what had been set in the original agreement of 1952.

Mr. Irwin closed the meeting with the statement that Defense officials were glad to have had an opportunity to meet with State Minister Kono and to hear his ideas.

243. Memorandum of a Conversation, Department of State, Washington, October 31, 1957[1]

SUBJECT

Economic Relations with Japan

PARTICIPANTS

Governor Thomas E. Dewey
The Under Secretary
Deputy Under Secretary Dillon

Governor Dewey requested a luncheon appointment with the Under Secretary and Mr. Dillon. The purpose of his visit was primarily to discuss the reactions of Mr. Kono to his recent visit to Washington. Governor Dewey reported that Mr. Kono had been extremely disturbed by his lack of success in Washington and his inability to gain any sort of backing for his project of Japanese-American collaboration in the development of Southeast Asia. Governor Dewey said that he had informed Mr. Kono that he felt the Japanese Government had made a mistake in not clearly indicating, by means of a letter from the Prime Minister or some similar method, that Mr. Kono was speaking on behalf of the Prime Minister or Foreign Minister. He pointed out to Mr. Kono that the U.S. Government normally dealt with foreign governments through their Prime Ministers, Foreign Ministers, or Ambassadors, and it was not possible to deal through other political leaders no matter how important they might be.

Governor Dewey then said that Mr. Kono was very important in the Japanese political scene, and that he personally felt that it was essential that something be done to expand Japanese trade relations with Southeast Asia if the present conservative government was to continue in Japan. He felt that Mr. Kono's proposals were an improvement over earlier proposals by Kishi and others that the U.S. put up all the money for any Japanese-American development program in Southeast Asia.

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[1] Source: Department of State, FE Files: Lot 59 D 19, MC—Miscellaneous 1957. Confidential. Drafted by Dillon.

It was pointed out to Governor Dewey that there was real doubt as to whether the countries of Southeast Asia were prepared for closer cooperation with the Japanese on any broad scale basis. It was also pointed out to him that it would be an unwise policy for the U.S. to make any broad commitment to the Japanese to underwrite a Japanese development program in Southeast Asia. Governor Dewey readily agreed with the latter point but felt that it would be worthwhile for the U.S. to make a real effort to promote greater Japanese activity in the area, as this was the only way to maintain an economically viable Japan.

Governor Dewey was also told that Mr. Kono had been informed that the U.S. was prepared to consider any specific project which the Japanese Government might recommend and that the U.S. preferred to operate on the basis of specific projects rather than any over-all basis.

When he left Governor Dewey indicated that he intended to write to Mr. Kishi and Mr. Kono and inform them that he had discussed Japanese problems with the Under Secretary and Mr. Dillon, and suggest to Mr. Kishi and Mr. Kono that it might be worthwhile for the Japanese to propose specific projects to the U.S. Government for Southeast Asian development.

244. Letter From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Deputy Assistant Secretary of Defense for International Security Affairs (Shuff)[1]

Washington, November 7, 1957.

DEAR MR. SHUFF: I have carefully considered the proposal contained in your letter of October 18.[2] I would welcome an opportunity to discuss and explore this matter further since your proposal seems to imply a basic shift in our Military Assistance policy (MAP) towards Japan. We realize that the reduction in the over-all MAP appropriation made at the last session of Congress requires adjustments in many of our programs. However, we are most anxious that whatever adjustments or changes are required in our program for Japan be made with proper recognition of the fact that our MAP programs are important tools for achieving the political as well as the strategic objectives of United States policy towards Japan.

Without attempting to go into a detailed discussion of our views prior to our meeting, I believe that the following considerations should be kept in mind in viewing your proposal or any other major change in our MAP policy towards Japan.

Prime Minister Kishi is the first Japanese Prime Minister since the Peace Treaty to show evidence of a real willingness to tackle the problem of building an adequate defense force for Japan. During the past six months he has taken significant steps in this direction. He has directed and obtained Cabinet approval for both a basic defense policy and an official defense plan covering Japanese fiscal years 1958 through 1960. He has formulated a defense budget for Japanese fiscal year 1958 (beginning April 1, 1958) which would provide an increase of 28.5 percent in funds over those appropriated for JFY 1957. A further substantial increase in the forthcoming JFY 1958 defense budget would be required to support the proposal contained in your letter. It is difficult to see how Prime Minister Kishi could obtain the additional funds required.

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[1] Source: Department of State, Central Files, 794.5-MSP/11-757. Confidential. Drafted in NA on November 6 and cleared in draft with U/MSA.

[2] Not found. In a November 6 memorandum to Robertson, Parsons stated Shuff had "proposed (a) that the Japanese Government be informed that the United States is planning grant aid of about $50 million for FY 1958 with their requirements for subsequent years to be financed by the purchase by Japan from the United Sates for yen of military equipment under the provisions of Section 103 (c) of the new MAP legislation; and (b) that a Defense negotiating team be sent to Japan which would include representatives of the three services to discuss the naval aircraft program proposed by the Japanese, fighter and other aviation programs and other military procurement programs such as the five-year Far East vehicle production program." (Attached to the source text)

As pointed out by Ambassador MacArthur (Embtels 1134 and 1135)[3] the forthcoming few months may be critical ones for Prime Minister Kishi and it is in the interest of the United States to help him build a further record of positive achievement in preparation for the forthcoming elections. Conversely, we should examine with care any proposal for a shift in our MAP policy towards Japan if there is a likelihood of a possible adverse reaction therefrom on Prime Minister Kishi's political posture.

A specific example of helpful action on our part would be prompt acceptance of the Japanese proposal to negotiate an arrangement for the production of the P2V–7 aircraft, which we understand the Chief of Naval Operations has recommended to your office. This proposal is the culmination of months of effort and discussion between United States and Japanese representatives in Tokyo. A large measure of the political benefit from this project will be lost if acceptance is delayed until after the elections. Furthermore prompt action on our part is needed if the Japanese Government is to include provision for this program in the JFY 1958 budget which will be finalized in late December for presentation to the Diet when it convenes in January.

In our discussions in June with Prime Minister Kishi it was made clear to him that the United States would no longer make suggestions to Japan concerning steps to be taken by Japan in its defense build-up unless requested by the Japanese. Only recently assurances were given to the Japanese by Secretary Wilson, Ambassador MacArthur and other United States officials that there is no change in our MAP policy towards Japan.

The Japanese Three-Year Defense Plan has been formulated on the basis of certain assumptions as to the continuance of military assistance from the United States. For us to indicate a basic change in MAP policy towards Japan at this juncture would tend to discredit the policies which the Prime Minister has enunciated and could very well result not only in a reduction in the proposed JFY 1958 defense budget but also in a sweeping downward reappraisal by the Japanese Government of the Three-Year Defense Plan.

In the light of the foregoing we question the wisdom of sending a mission to Tokyo to discuss with the Japanese the proposal outlined in your letter until there has been basic inter-agency agreement, taking into account the views of Embassy Tokyo, CINCPAC and COMUS Japan, on the policy to be followed by the United States in its MAP relations with Japan. We believe that any discussions with the Japanese Government regarding our policy toward Japan should be initiated by our Embassy and military representatives in Tokyo rather than by a mission from Washington such as you propose. We have requested the Embassy's views on the proposal and assume that you have requested the views of CINCPAC and COMUS Japan.

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[3] Documents 239 and 240.

I understand that Mr. Sprague will be in Tokyo early next week. I believe that it would be helpful if he were to discuss this matter with Ambassador MacArthur.[4] I would also like to discuss it with Mr. Sprague upon his return to Washington.

Meanwhile, I urge that we move ahead quickly to give an affirmative response to Embassy Tokyo's telegram 982[5] and that arrangements be made for the early dispatch to Tokyo of such naval representatives as may be required to negotiate the details of a cost sharing arrangement for the production of the P2V–7 aircraft in Japan.

Sincerely yours,

Walter S. Robertson[6]

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[4] See telegram 1359, *infra*.

[5] In telegram 982, October 3, the Embassy described the formal Japanese proposal for a joint P2V program (received that day), endorsed the program, and asked for instructions. (Department of State, Central Files, 794.5–MSP/10–357)

[6] Printed from a copy that bears this typed signature.

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245. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, November 14, 1957—6 p.m.

1359. For Robertson. Please pass copy of this to Assistant Secretary Sprague (ISA) with whom we discussed Japanese problem in general terms on November 13.

In separate message which will be passed to State (C–116 Nov 15),[2] Air Attaché[3] is reporting request by Air Self Defense Force for our cooperation in permitting Japanese to purchase air to air missiles from US. Chief Air Section MAAG is also requesting technical information from Air Force Chief of Staff.

I am sending this message because Japanese request raises major policy considerations with far-reaching consequences which we must have in mind in reaching decision on Japanese request.

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[1] Source: Department of State, Central Files, 794.5/11–1457. Confidential; Priority. Also sent to COMUS Japan.

[2] Not found.

[3] Lieutenant Colonel Robert E. Harrington.

In first place, while Kishi still believes in and is pushing for greater Japanese defense effort, Soviet success with ICBM and Sputnik has had serious unsettling effect on Japanese, particularly re their defense situation. Socialists and extreme left are using Soviet success to attack GOJ strongly pressing for major reappraisal of GOJ policy of close alignment with US in political and defense fields. Leftists take position Soviet scientific advances make existing GOJ policy obsolete. Kishi is firmly holding line against leftist attacks but there are disquieting signs that many LDP members are deeply concerned and feel Japan's existing defense setup is inadequate and that it is useless to maintain or increase defense effort unless Japan promptly develops plans for modern weapons.

We are shortly going into NATO meeting where I assume we will among other things propose major steps for closer defense cooperation with our European allies.[4] It is imperative that we also have constructive and realistic proposals to put forward to Japanese for closer bilateral cooperation with them on defense matters. If we do not have such proposals I fear it will be interpreted here to mean that we are inclined to write them off. This feeling will be compounded by necessity of our reducing existing US air strength in Japan before Japanese have developed corresponding capability for aid [*air?*] defense.

Japanese have in past asked MAAG for missiles to use as basis for developing their own modern weapons system but we understand chiefly because of lack of Japanese security legislation we have felt obliged to refuse. This explains their purchase of Oerlikon missile from Switzerland and JSDF efforts now to obtain missiles elsewhere reported in Air Attaché cable by approaching British for De Havilland "Firestreak" and sending JSDF mission to Europe. Let me emphasize, however, JSDF and GOJ want to cooperate with US rather than Europeans.

Situation re Japanese security legislation is as follows:

Kishi wants and is determined for his own reasons to have security legislation enacted. However, with certainty of elections next year and possibly in spring, he will not introduce legislation into Diet unless he is certain it will not give Socialists issue which they can exploit to weaken his position. In light present political situation here I doubt that he will introduce legislation before elections. If introduction of legislation before elections would work against him, I do not believe it would be in our own interest have him do so.

Purpose of this cable is to urge that entire missile situation as it affects Japan be reviewed in light of recent developments with objective of offering to sell appropriate air to air missiles, and perhaps also others for developmental purposes under MWDP, without entailing unacceptable security risks and without awaiting passage of new Japanese security legislation.[5]

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[4] For documentation on the NATO Heads of Government Meeting, held at the Palais Chaillot in Paris, December 16–19, see vol. IV, pp. 218 ff.

MacArthur

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[5] In telegram 1502 from Tokyo, December 4, MacArthur reiterated his endorsement of the Japanese request for air-to-air missiles and mentioned that CINCPAC was also in favor of the proposal. (Department of State, Central Files, 794.5/12–457)

Telegram 1253 to Tokyo, December 6, reads in part: "Government decision has been reached make available Sidewinder both to NATO allies and to Japanese. Since certain NATO countries requested Sidewinder earlier and were refused it is only fair make offer first to them. This now being done and expect be able authorize you make similar offer at Security Committee meeting December 18 or 19." (*Ibid.*, 794.5/12–657) See Document 252.

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246. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, November 29, 1957—6:55 a.m.

1460. Pass Defense. Embtel 1453.[2] This is joint message from Ambassador MacArthur and General Smith. Japanese-American Committee on Security held third meeting on afternoon of November 27. Full report with text of statements follows by pouch. Following is summary:

I. At opening of meeting FonMin Fujiyama expressed concern about Socialist allegations (Embtel 1416)[3] during recent Diet session that Security Committee has very rigid jurisdiction and is ineffective. He expressed view committee could consider any problems relating to security treaty requiring discussion between US and Japan. I assured Fujiyama that we are also interested in countering efforts to discredit committee since we consider committee important and that we agree with his view that committee can take up any matter arising out of security treaty. I emphasized that we welcomed any suggestions to improve functioning of committee. Fujiyama commented that he was pleased to find we agreed on committee's work since feels Socialist efforts to discredit committee are actually aimed at damaging friendly

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[1] Source: Department of State, Central Files, 611.94/11–2957. Secret. Repeated to CINCPAC for Admiral Stump.

[2] In telegram 1453, November 27, the Embassy sent a preliminary report on the third meeting of the Japanese-American Committee on Security. (*Ibid.*, 611.94/11–2757)

[3] Dated November 22, not printed. (*Ibid.*, 794.5/11–2257)

US-Japanese relations. At conclusion of meeting, Fujiyama referred to this problem again and suggested committee meet about once a month since discussions are useful and instructive. At Fujiyama's suggestion, we agreed committee should next meet about mid-December.

Fujiyama in introductory remarks also expressed appreciation for information provided by US on our withdrawal program, particularly on return of facilities and discharge of workers. He and Tsushima expressed hope US will continue to handle dismissal of workers in manner best calculated to minimize hardships. General Smith and I assured Fujiyama that we recognized importance of handling labor problem in this manner. General Smith then outlined measures USFJ taking to assist dismissed workers, including benefits under new master labor contract, as much advance notice as possible, assistance in placing dismissed employees with Japanese industry, and vocational training where facilities available. General Smith also mentioned that discharges have not been at greater rate than estimates previously given Japanese authorities.

II. *Admiral Burke's Visit*

I presented Admiral Burke's comments on his recent visit to Japan (CNO messages 150127Z and 221401Z).[4] Japanese expressed pleasure and appreciation with these comments. (Embtel 1454)[5]

III. *Air Defense*

Fujiyama opened discussion by requesting further information and discussion of US policies in light of Soviet development of ICBM and satellites. He said government policies have been challenged as result of Soviet progress and it is therefore useful to discuss this development at greater length in subsequent meetings of committee. I agreed that a discussion of free world policies in light of Soviet developments would be useful. Fujiyama thought Soviet successes may have important psychological effect on free world and therefore free world "must maintain firm mutual trust among themselves and confidence in themselves". Fujiyama pointed out that Soviet actions also have direct bearing on domestic political situation.

Tsushima stressed Soviet development of ICBM has focused attention on air defense problem. He expressed fear that possible acceleration of US Air Force withdrawals from Japan and delays in buildup of Japanese air force might bring about deficiency in air defense. He requested that US withdrawal therefore be coordinated with Japanese buildup and that US continue to provide assistance to Japan's air force, including technical aid and training.

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[4] Neither found.

[5] In telegram 1454 from Tokyo, November 27, marked "For Admiral Burke CNO from Ambassador" and passed also to COMUS Japan, MacArthur described a favorable Japanese reaction to Burke's comments on maritime defense in the Japan area and concluded: "Your comments rang the bell and will I know help on build-up MSDF. Many thanks." (Department of State, Central Files, 794.5/11–2757)

General Smith in reply reviewed current deployment plans of US Air Force defense units and problems involved in progressive transfer of operational responsibilities for air defense to Japan Air Self Defense Force. He emphasized that, during current transitional stage when Japanese will begin operations within air defense system, closest cooperation required between US and Japan air defense units. He listed five areas in which preliminary actions have been initiated but not completed:

1) Transfer of AC and W sites;
2) Joint use of telecommunications;
3) Maintenance of electronic equipment at AC and W sites after being taken over by Japanese;
4) Completion of studies and agreements with respect to operational control and rules of engagement; and
5) Modernization of Japan air force.

He then reviewed USAF plans for return of air bases to GOJ and for coordinated withdrawal of US air defense units and deployment in their place of Japanese air units. He expressed opinion that Japan's air defense will continue to be reasonably effectively executed during this current transitional period.

General Smith pointed out that USAF plans were made well in advance in coordination with original program for Japanese air force buildup which is now behind schedule. He agreed that we should avoid creating vacuum during transitional phase, and in this connection mentioned that two fighter squadrons scheduled for inactivation next summer will be kept here extra year. He emphasized US at same time cannot always be depended upon to fill gap left by delays in Japanese buildup and urged further efforts by Japanese, particularly in meeting schedule for transfer of AC and W sites. General Smith concluded by commenting that principal requirement for air defense of Japan is surface-to-air missiles although more modern aircraft are also required.

Tsushima expressed appreciation for clear, reassuring statement on air defense and said he intends to instruct his staff to expedite study and conclusion of satisfactory arrangements on five problems mentioned by General Smith, which arrangements he viewed as "quite necessary to Japan's air defense".

IV. *Airfield Runway Situation*

General Smith reviewed background of US requests for additional land to permit runway extension at 7 air bases. He then raised major problems still faced in this area, principally:

1) USFJ desire to declassify plans for release of Niigata and to release field at end of this year;

2) US plans to release Komaki following completion of runway extension in first quarter US FY 1959;

3) Urgent US need for runway extension at Tachikawa—particularly in view of concurrent plans to release Haneda by July 1958 and to relocate MATS from Haneda to Tachikawa; and

4) Continued requirement for runway extension at Atsugi Naval Air Base.

In response Tsushima commented:

1) Japanese have no objections to announcing release of Niigata;

2) Release of Komaki should be kept classified until completion of runway extension;

3) Tachikawa extension now before Japanese courts but government intends accomplish extension immediately upon completion of legal procedures; and

4) Importance of requirement at Atsugi is understood and government will continue to study problems involved but difficulties common to other land acquisitions are faced at Atsugi.

Fujiyama expressed appreciation for US efforts to reduce its air base requirements to minimum which therefore make runway extensions at above fields "all the more urgent". He assured General Smith and myself that, though runway extension was very delicate problem and was primary responsibility of Tsushima, he would do his best to back Tsushima and to get full cabinet support for efforts to carry out necessary extensions.

V. Meeting agreed to press release. (Embtel 1451)[6] It was also agreed that Foreign Ministry would tell press orally that next committee meeting will be held sometime in mid-December.

Passed COMUS Japan by other means.

MacArthur

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[6] Dated November 27, not printed. (*Ibid.*, 611.94/11-2757)

247. Telegram From the Department of State to the Embassy in Japan[1]

Washington, December 5, 1957—7:31 p.m.

1243. Your 1489.[2]

1. President approved on December 3 abolition Clemency and Parole Board and delegation Secretary State or his designee authority effectuate US decision on recommendation GOJ in accordance Article II Treaty Peace. Executive Order effecting foregoing is being cleared in Government for submission to President.[3] It is expected that Executive Order can be issued soon after Japanese Cabinet approves establishment new Japanese Board. Suggest proposal be submitted Japanese Cabinet as soon as possible.

2. Trial records presently being prepared for shipment which can only take place after signing Executive Order. Partial shipment planned by air pouch upon signing Executive Order.

3. FYI. Despite attempts to expedite, other Governments represented IMTFE have not as yet informed us position with regard problem Class A war criminals. Will continue push for early action but do not believe it desirable inform FonOff status at this time.

Dulles

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[1] Source: Department of State, Central Files, 694.0026/12-357. Confidential; Priority; Limit Distribution. Drafted in NA and approved in L/FE and by Parsons.

[2] In telegram 1849, December 3, MacArthur asked for information on procedural aspects of the impending changes in clemency and parole procedures for war criminals, and then concluded as follows: "FonOff inquired about problem of Class A war criminals. Would appreciate info on how matters stand, and whether we can discreetly say anything to FonOff about progress at this time." (*Ibid.*, 694.0026/12-357)

[3] For text of Executive Order 10747, issued December 31, 1957, see *Federal Register*, vol. 23, no. 2, p. 43.

248. Memorandum From the Director of the Office of Northeast Asian Affairs (Parsons) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, December 10, 1957.

SUBJECT

U.S. Force Reduction in Japan

We have received from Embassy Tokyo a résumé of the report on force reduction given by the military member at a recent Embassy–USFJ Consultative Committee meeting.[2] The following table shows the extent of the reductions, completed and planned, in U.S. forces in Japan, and the attendant drop in the number of Japanese civilians employed.

	USFJ	*Japanese Employed Under Master Labor Contract*
No. as of 1 July 1957	100,000	125,731
No. as of 15 October 1957	82,000 (reduction so far is 44% of original plan, 50% of revised plan)	118,900
Original Planned level 30 June 1958	59,000 (would be a 40% cut)	85,000
Revised Planned level 30 June 1958	63,000 (will be a 37% cut)	85,000

The revised plan came into effect on October 17 when Defense, with State concurrence, decided to retain the First Marine Air Wing in Japan for the indefinite future.

The U.S. commitment for prompt withdrawal of all ground combat forces is complete with the exception of a small "roll-up" detachment of the Third Marine Division, and an artillery rocket battalion whose orders have not yet arrived.

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[1] Source: Department of State, Central Files, 794.5/12–1057. Secret. Drafted in NA on December 9.

[2] The document has not been identified.

249. Letter From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Assistant Secretary of Defense for International Security Affairs (Sprague)[1]

Washington, December 11, 1957.

DEAR MANNIE: The High Commissioner of the Ryukyus recently amended certain ordinances and laws to permit the City Assembly of Naha to remove Mayor Kamejiro Senaga from office and to prevent his re-election.[2] The Department of State concurred, in haste, in the necessity and the specific plan for the removal of Mr. Senaga. However, we believe that it could have been accomplished with less repercussion had there been time for adequate groundwork, particularly in Japan.

As you know, serious consideration had been given on at least two occasions since December 25, 1956 to the removal of Mr. Senaga.[3] Full reflection in these instances had led to the decision by General Lemnitzer, who was Governor of the Ryukyu Islands, that the Naha City Assembly should be given the opportunity to solve the problem in accordance with their own procedures. Reports which we have received from Naha in recent months had indicated that the City Assembly was having great difficulty in accomplishing its objective of removing Mr. Senaga from office. However, there was no indication in any reports that the High Commissioner was prepared to take action in connection with this problem.

As a result of a request from the Army Psychological Warfare group to [*less than 1 line of source text not declassified*] in Tokyo for information about the Okinawa Peoples Party, the [*less than 1 line of source text not declassified*] group learned that General Moore was seriously contemplating action to oust Senaga. Through the courtesy of [*less than 1 line of source text not declassified*] my office learned of this possibility late in the afternoon on November 21. I sent an immediate inquiry regarding the matter to the Consul General in Naha[4] and instructed him to inform General Moore that the Department of State considered it necessary for the action to be reviewed in full by interested Washington agencies before any action was taken. Unfortunately, this message was received in Naha after General Moore's action had been taken. Again, late in the afternoon of November 22, [*less*

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[1] Source: Department of State, FE Files: Lot 59 D 19, Sprague, Mansfield D. Secret. Drafted in NA.

[2] The removal of Senaga took place on November 23, Washington time.

[3] Circular telegram 472, a joint State–USIA message, drafted in FE/P, provided background information to most Asian and Western European posts. (Department of State, Central Files, 794C.00/11–2757) Additional information on the background of the ouster is *ibid.*, 894.51, 794C.00, and 794C.0221 for late 1956 and for 1957.

[4] Telegram 54 to Naha, November 21, not printed. (*Ibid.*, 894C.51/11–2157)

than 1 line of source text not declassified] received another communication which indicated that General Moore intended to take the action at 9:00 p.m., Washington time, on November 22. The report which we received indicated that Mr. Senaga would be declared ineligible for office as a result of having been convicted of a felony.

With only about three hours remaining before the action was reportedly scheduled, I called Assistant Secretary of the Army Roderick. He, too, had heard nothing about the matter, and his inquiry indicated that the entire Pentagon was uninformed. When he talked to General Lemnitzer, the latter immediately talked to General Moore by telephone. General Moore was agreeable to delaying the action for a few hours to allow the Departments of State and Defense to read and to evaluate his message, number HC 0046,[5] then being decoded in the Pentagon, which described the action he proposed to take.

On the morning of Saturday, November 23, I considered with members of my staff the action proposed. Though the time permitted for evaluation was short, I concurred on behalf of the Department on the desirability of accepting the proposal. The need for the speed which General Moore was urging involved the fact that the City Assembly in its final week of meeting was proposing to take an action which the experts judged would not stand up under the test of court review. I recommended that if it were possible to work the matter out with the majority members of the City Assembly so that they would not take action on their own, General Moore delay his action two or three days to permit the United States Government to brief Embassy and USIS posts abroad. This would permit them to provide the necessary background information to interested governments and be prepared for the press inquiries which would inevitably follow the announcement of the action in Naha.

Apparently General Moore was unable to arrange this delay, since his action was taken on Sunday, November 24, and the follow-up action by the City Assembly occurred on Monday, November 25. The expected public reaction, particularly in Japan, occurred. For two or three days stories about the United States action in ousting Mayor Senaga crowded all other news off the front pages of all newspapers in Tokyo. The Japanese press uniformly and vigorously protested the method of effecting the removal of Mayor Senaga. It was called undemocratic and "dictatorial" and was pointed out as an example of the lack of practice of democracy by the United States.

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[5] Dated November 22, not printed. (Repeated to Tokyo as DA 933167 from the Department of the Army, November 25; *ibid.*, Tokyo Post Files: Lot 64 F 106, 350 Ryukyus Islands 1957)

The uproar in Japan might have been avoided had we been informed of the High Commissioner's plans in time to give the Japanese Government advance briefing and to provide preparatory background material to other interested posts. The Consul General in Naha has informed us that, although he was consulted from the early stages regarding the High Commissioner's thinking on this subject, he was under injunction not to transmit any separate communications to the Department on the subject. The High Commissioner explained his injunction as follows: The decision to obtain the removal of Senaga by changing the local autonomy laws was his to make; consequently, he was not going to consult the Department of Defense beforehand. Accordingly, news of his proposed action should not reach Washington prematurely through other channels.

Succumbing to such a position on the part of the High Commissioner makes it difficult, if not impossible, for the Department of State to carry out its responsibilities under Section 3 of Executive Order 10713 of June 5, 1957, which states: "The Secretary of State shall be responsible for the conduct of relations with foreign countries and international organizations with respect to the Ryukyu Islands."

We had thought that there was a clear understanding in the Ryukyus of the Consul General's responsibility for independent reporting to the Department on development in the Ryukyus and of his need to communicate on such matters to the Department of State. Such reporting is essential for the Department of State to assess the impact of developments and proposed actions in the Ryukyus on the foreign policy of the United States and on United States relations with other countries. I believe it is desirable to remind the High Commissioner of the importance of full reporting, particularly by the Consul General, on all developments and proposed actions which could have implications for or bring reactions on United States foreign policy or international relations.

I am enclosing a proposed joint State–Defense message[6] which I hope you will concur should be sent to the High Commissioner and the Consul General.

Sincerely yours,

Walter S. Robertson[7]

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[6] Not found attached.

[7] Printed from a copy that bears this typed signature.

250. Letter From the Assistant Secretary of Defense for International Security Affairs (Sprague) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, December 11, 1957.

DEAR MR. ROBERTSON: Thank you for your letter of 4 November 1957,[2] addressed to my Deputy, John N. Irwin, in which you describe the action taken by Secretary Dulles concerning repatriation of former residents of the Bonin Islands.

Your letter advises that the Department of State does not agree that the Japanese Government should share in the compensation for the reasons that it would nullify the political objective we are seeking of eliminating repatriation pressure, and that it would offset any political capital the Kishi regime might develop from our agreement to compensate.

In our opinion there are cogent reasons, other than the obvious one that Japan originally evicted the former land owners, for advocating that the Japanese Government share equally or partially in the compensation. First, by sharing the cost, both sides in the negotiation maintain an interest in keeping the amount of compensation to a minimum, an important factor to be considered in justifying any appropriation request before Congress. A second advantage would be that by sharing, the possible connotation of a conscience payment implying sole United States responsibility, would be avoided. Lastly, by sharing, charges by the Japanese political opposition that the U.S. is "buying" the islands would be averted. If compensation is paid unilaterally there is the concomitant inference that Japanese sovereignty is thereby terminated despite the fact that the U.S. has affirmed Japan's residual sovereignty.

Notwithstanding the above, the Department of Defense defers to the judgment of the Department of State in developing the best means of attaining a desirable political arrangement in this matter. Since political considerations have overriding priority, it is assumed that the Department of State will take the lead in sponsoring and justifying the necessary Congressional appropriation.

The technical details of our proposed plan for indemnification, which would be applicable to either a cost-sharing or a unilateral payment basis, has already been communicated to your Department at a staff level. It proposes that the value of the land be determined by a search of the records of land transfers in the Bonins, or if not available, by taking the value of comparable land in Japan or the Ryukyus. The value of equivalent land in Okinawa has been assessed at one thousand and sixty dollars an acre; a Bonins settlement based on this evaluation would be $3,837,200.

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[1] Source: Department of State, FE Files: Lot 59 D 19, Sprague, Mansfield D. Confidential.

[2] See footnote 3, Document 228.

Sincerely yours,

Mansfield D. Sprague[3]

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[3] Printed from a copy that bears this typed signature.

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251. Telegram From the Consulate General at Naha to the Department of State[1]

Naha, December 15, 1957—2 p.m.

92. HICOM in response to request by AP correspondent Gene Kramer, issued following statement here yesterday which appeared in local press today:

> "That the US will find it necessary to continue the present status in the Ryukyus 'as long as conditions of threat and tension exist in the Far East' is national policy. Since these tensions are caused by the Communists, the fact that we will be here 'indefinitely' or 'for the foreseeable future' still is not understood by a great many people—particularly by those who do not wish to understand.
>
> "I feel our fundamental need is for an authoritative statement of the minimum number of years during which this subject will not even be discussed. This must also be accompanied by a basic law under which we can operate. The combination of these actions would remove current doubts and confusion, make clear to Okinawans, and others, what their status is, and permit them to act and plan on the basis of a more certain future."

During local inter-agency conference yesterday morning on preelection problems, HICOM said was considering some statement re duration US authority which might remove reversion issue from campaign but did not discuss substance or wording of statement. Understand text not sent DA.

If public comment necessary suggest statement be characterized as personal views HICOM issued response press inquiry.

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[1] Source: Department of State, Central Files, 794C.0221/12-1557. Confidential; Priority. Sent to Tokyo as telegram 119 and repeated to the Department of State as telegram 92, which is the source text.

Chief Executive Jugo Thoma in interview with Kramer preceding day said would be desirable for US say specifically how long it intends hold Okinawa and that return to Japan is premature for at least 20 years because of "an anti-Japanese undercurrent" among the people and lagging rehabilitation. Text Thoma interview being air pouched.[2]

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[2] Not found in Department of State files.

In a letter to Roderick dated December 17, commenting on Moore's statement, Robertson concluded: "General Moore's comments do not coincide with decisions which have been made interdepartmentally in Washington on this very important issue. Statements of this sort have repercussions on the foreign relations of the United States, particularly in relation to Japan. The concurrence of the interested agencies in Washington should clearly be sought before the public pronouncements are made." (Department of State, Central Files, 794C.0221/12-1557)

In telegram 1656 from Tokyo, December 20, MacArthur reported on a conversation with Fujiyama on December 19 in which the Foreign Minister had pointed out the difficulties created for the Japanese Government by Moore's statement in view of the fact that Japan itself had previously wanted to set a terminal date for both the occupation of the Ryukyus and the duration of the U.S.-Japan Security Treaty. According to Fujiyama, Moore's statement was being interpreted by many in Japan to mean that after expiration of the time limit suggested by Moore, reversion would be actively discussed. MacArthur commented that he believed Fujiyama had "seized on" Moore's statement in order to reopen Kishi's reversion proposals. The Ambassador concluded by suggesting that he be authorized to inform Fujiyama that there had been no change in U.S. policy. (*Ibid.*, 794C.0221/12-2057) Indication of action on MacArthur's proposal prior to the end of 1957 has not been found in Department of State files.

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252. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, December 20, 1957—2 p.m.

1651. Pass Defense and CNO. Joint message from Ambassador MacArthur and Admiral Stump. Embtel 1641.[2] Japanese-American Committee on Security held 4th meeting on morning of December 19. Full report with text statements follows by pouch.[3] Summary follows:

I—"Recent developments in Soviet Union and Communist bloc"—Foreign Minister Fujiyama opened discussion with summary of Japanese views, which generally paralleled our assessment. He said

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[1] Source: Department of State, Central Files, 611.94/12-2057. Secret. Repeated to CINCPAC for POLAD and to COMUS Japan.

[2] Telegram 1641 from Tokyo, December 19, contained the text of a press release on the meeting described in telegram 1651. (*Ibid.*, 611.94/12-1957)

[3] Despatch 707 from Tokyo, January 3, 1958, not printed. (*Ibid.*, 611.94/1-358)

Japanese feel Khrushchev regime will continue efforts to strengthen its political position but faces economic difficulties. Externally USSR expected to continue policy on "peaceful co-existence" and easing of tensions while exploiting recent scientific successes particularly on psychological front. Communist Chinese regime considered politically strong but facing serious economic difficulties. Communist Chinese-Soviet ties are viewed as very close; Japanese feel that Sino-Soviet negotiations to provide Communist China with modern weapons probably undertaken recently.

Following Fujiyama presentation, I summarized assessment provided in Deptel 1309[4] (I had given Committee members previous to meeting more detailed background paper drawn from Deptel). Fujiyama expressed appreciation for my presentation since Japanese government attached great importance to our views on Soviet bloc. He raised several questions relating to background of Zhukov ouster and to tactics employed by free world to exploit current Communist Chinese economic difficulties. On latter point, Fujiyama questioned whether it might not be preferable for free world to try to exploit these economic difficulties through increased free world trade with ChiComs which would tend to separate them from USSR. In reply, I pointed out Chinese Communist-Soviet ties based on far more than Chinese economic dependence on USSR and that increased ChiCom trade with West likely to result in strengthening Chinese regime and opening way for expansionist efforts in South and Southeast Asia to detriment of free world and particularly Japan. I agreed one of our general objectives should be dividing ChiComs from USSR but stressed we did not feel this objective could be currently achieved through efforts to lessen ChiCom economic dependence on USSR. Fujiyama expressed interest in further discussion of ways and means to divide ChiComs and USSR.

II—"Implications of recent Soviet scientific developments and free world policies in light thereof"—In opening discussion of this agenda item, Fujiyama stressed Soviets are making fullest use of scientific successes in propaganda field and not without results in Japan. He stated Japanese feel that military balance has not been immediately affected by Soviet developments but Russians currently have lead in field of long range missiles. Since US superiority in military science is considered key to maintenance of world peace and security, Japan considers main question is whether US will catch up by 1960 when, they understand, Soviet ICBM will be operational.

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[4] In telegram 1309, December 14, drafted in EUR and CA and approved by Robertson, the Department provided an assessment of current political trends in the Soviet Union, Eastern Europe, and the People's Republic of China. (*Ibid.*, 611.94/12–1257)

Spiritual unity of free world is also felt to be currently more important in order to cope with Communist political and psychological offensive. Defense Agency Director-General Tsushima spoke along similar lines, commenting that Soviet military strength constitutes grave threat to Japan, particularly since Soviets expected to furnish missiles to ChiComs and North Korea. However, in view continued strength of US deterrent power, Defense Agency believes Communists will resort psychological and other Cold War tactics although possibility of localized aggression cannot be discounted. Tsushima said in conclusion that Defense Agency will continue build up along lines of current 3-year plan but modernization of weapons also required.

Admiral Stump and I spoke along lines Deptels 1310 and secret parts of 1326[5] but did not use material in para A.[6] Fujiyama commented that our remarks were much appreciated and that Japan is prepared to do its share within limits of its economic capabilities.[7]

III—"Modernization of Japanese Self-Defense Forces"—Tsushima opened discussion by stating that Japanese Air Force is anxious to modernize equipment with US assistance and that its annual budget includes provision for improvement of equipment. He said that, with recent developments, self-defense forces are in urgent need of speedy build-up and would like to request various types of missiles from US as soon as possible. He said existing law for protection of equipment given GOJ under MDAP provides sufficient security safeguards. In reply, Admiral Stump advised committee that US prepared to offer "Sidewinder" (as authorized DEF 933991).[8] Admiral Stump also said that US military will investigate possibility of providing other missiles to Japan. Tsushima and Fujiyama expressed warm gratification with our prompt response to Japanese request for "Sidewinder".

IV—"Integration of air defense operations"—Tsushima noted briefly completion of staff study by members of Air Self-Defense Force and Fifth Air Force on coordination of air defense operations. He said he would study report in view of importance of this problem which involves political and legal difficulties. Admiral Stump expressed appreciation for Tsushima's remarks and for efforts already made to solve this problem.

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[5] Telegrams 1310, December 14, and 1326, December 17, were both on the subject of U.S. policy in response to Soviet military advances. (*Ibid.*, 611.94/12–1257 and 611.94/12–1757, respectively) See also footnote 4, *infra*.

[6] Paragraph A of telegram 1326 concerned U.S. estimates of Soviet missile development, including a prediction that by some time during the 1958–1959 period the Soviet Union would have built 10 prototypes of a 5,500-knot-range ICBM, with the possibility that 500 could be operational 2 or 3 years thereafter.

[7] Telegram 1310 concluded with a statement that the United States would welcome Japanese views as to how Japan could most effectively contribute to "free world security, stability and progress."

[8] Not printed.

V—"NATO meeting"—I had on Dec. 14 given Japanese background paper on general purposes of NATO meeting based on material given me by Department. I pointed out such exchanges of info in advance of NATO meeting in keeping with new era of US-Japanese partnership. I said that once NATO meeting completed and I am informed of results, I intend to convey them to Foreign Ministry. Fujiyama expressed great appreciation for advance information on NATO Council meeting. He said Japan, as member of free world, vitally interested in these developments which have important impact on free world position. He also thought NATO meeting instructive for functioning of Security Committee. He hoped we would have further discussion of NATO meeting once we received information on its results.

VI—Final item of agenda was personal report by Prime Minister Kishi on his recent tour of Southeast Asia. Summary of Kishi's remarks being sent in separate message.

VII—At the conclusion of the meeting Committee agreed on press release (Embtel 1641). At end of meeting Fujiyama suggested Committee meet again before Diet convenes January 25. We tentatively agreed to have next meeting on January 23 or 24.

MacArthur

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253. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, December 20, 1957—8 p.m.

1665. Embtel 1647.[2] Background of Fujiyama's request is persistence of Ichimada in pursuing traditional Finance Ministry policy of

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[1] Source: Department of State, Central Files, 794.5/12–2057. Secret; Priority.

[2] In telegram 1647, December 19, MacArthur reported that Fujiyama had that day requested a reduction in Japanese support of U.S. forces stationed in Japan of 4 to 5 billion yen in addition to the reduction of 10 billion yen which could be expected by application of the revised formula adopted in 1956. Part of MacArthur's summary of Fujiyama's oral presentation reads: "While amount of yen contribution under general formula is determined on basis of increase in Japan's defense expenditures, problem of percentage share of local costs of American forces has been target of attack at National Diet in connection with yen contribution."

The telegram continued: "In this connection, since American forces will in course of next year be reduced by roughly one half as compared with beginning of this year, Japanese public will expect their local costs will also be curtailed to similar extent and yen contribution will be cut down accordingly." According to MacArthur, Fujiyama also

Continued

lowest possible defense appropriation and lowest possible defense contribution under Art XXV of Administrative Agreement. Press treatment of issue so far has been substantially confined to reporting of statements made by him, and stories presumably inspired by Finance Ministry, to effect that reduction US forces logically leads to reduction in yen contribution over and above the formula amount and that US will be asked to agree to such reduction. Therefore to certain extent expectations have been built up in minds of both politicians and public and of course any such reduction would have popular and political appeal.

I have conveyed to Fujiyama and Ichimada (despatch 644)[3] and indirectly to Kishi, and other Embassy officers have conveyed to their official contacts, personal opinion that attempt to revise formula this year would be most unwise and unjustified by facts of present situation. These efforts did not prevent official approach being made to me but they may have moderated somewhat extent to which GOJ has so far committed itself to obtaining additional reduction.

There is no doubt in my mind that Fujiyama is right in saying such additional reduction over and above formula amount will be political advantage to Kishi in pre-electoral period. At same time failure to get it may not be too great political disadvantage unless issue becomes built up in press as first-class conflict between two governments which has thus far not happened. Foregoing factors, and lack of any really good case for additional reduction unless it matter of overriding necessity to avoid very significant damage to Kishi and Liberal-Democratic Party in elections, lead me to recommend that we should go back to GOJ with negative response along following lines:

(1) Present Japanese argument is that as our forces go down their contribution should be reduced over and above reduction resulting from application of formula. This overlooks important point of entire defense relationship, i.e. that reduction in our forces is related to increase in Japanese defense capabilities. Division of our costs in Japan discussed at great length various times in past and conclusion reached that most easily measured yardstick of Japanese increase is defense budget. Application of formula thus already takes account of decrease in US forces. Unreasonable, therefore, that there should be additional reduction on this ground.

(2) Direct costs of operations in Japan will go down in future but we do not expect reductions in next year to be in prōportion to numerical reduction in forces. Impossible to estimate now what actual cost reduction will be.

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stressed at several points that the problem was exacerbated by the forthcoming general election. (*Ibid.*, 794.5/12-1957)

[3] Dated December 12, not printed. (*Ibid.*, 794.5/12-1257)

(3) Quarterly reports by USFJ to Joint Committee on "USFJ cost of operations" showed expenditures by USFJ in JFY 1956 of $590 million. Japanese yen contribution was $83 million or only 14 percent of this amount.

(4) Foregoing figures in any case do not take account of direct military aid under MDAP and of indirect US defense cost which contribute very materially to military security of Japan, e.g., acquisition cost of aircraft stationed in Japan, US forces supporting security of Japan such as Seventh Fleet, Strategic Air Command, etc.

(5) Using estimates cited by Fujiyama, overall national budget next JFY will be about 9 percent greater than current year; and total defense appropriations (including Defense Agency budget, yen expenditure for facilities and yen contribution to USFJ under formula) will be increased by only 5.7 percent. Concession of additional reduction now sought by GOJ to mean that defense appropriations would be only 2.8 greater than current year.

Moreover, again using Fujiyama's estimates, total defense appropriations next year would be 12.2 percent of total national budget, compared with 12.4 percent in current year, 13 percent in JFY 1956 and 13.1 percent in JFY 1955. All these figures show declining proportion of government's financial resources going to defense purposes and it is difficult for us to see how Japanese public, if facts are fully presented to them, can or will take exception to level of defense expenditures proposed for next year.

(6) In current year there has been in Japan both tax cut and budget surplus. There is talk of both these desirable ends being achieved in next Japanese fiscal year. We understand fully political aspects of present situation in Japan and wish to do everything reasonably possible in intergovernmental relationships to support Japanese government. However, American people also would like tax cuts but all indications are that our very heavy current rate of defense expenditure will be increased next year.

(7) Material in paragraph 4 of Deptel 1310[4] could be used to emphasize importance of fair distribution of defense burdens in facing new challenge from Communist bloc.

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[4] Regarding telegram 1310, see footnote 5, *supra*. Paragraph 4 reads as follows:

"It is essential in our view that there be a greater sharing of free world responsibilities in all aspects of the Communist challenge. As far as the US is concerned this is necessary if we are to meet this challenge without sacrificing our freedoms and standards of living to military efforts as do the Communist nations. Toward this end the executive branch is currently planning for increases next year in the amounts currently expended for defense and mutual aid programs. A greater sharing of these burdens among free world countries is as justified as it is necessary. Every principal free world member must bear his responsible share in accordance with the maximum of his capability."

(8) In light of current international situation, Japanese proposal seems contrary to spirit of partnership and concept that free world, to preserve its security, must share burdens. This was essential basis of new US-Japan relationships established by Prime Minister with President Eisenhower last June, a relationship which we continue to hope will lead to constructive solutions of far more important issues affecting long-term interests of both countries.

(9) For all foregoing reasons, US Government believes that additional reduction of Japanese contribution to support of US forces is not justified and USG believes that we must adhere to formula which was designed previously to deal with situation such as now exists.

We have been told final budget plans are to be approved by Cabinet December 30 and speedy action is therefore needed. Therefore I urgently request authorization (by Monday morning Tokyo time if possible) to make response along lines indicated above, with any changes or amplification which Department thinks desirable.

It would be helpful if Department would call Asakai in at fairly high level and take similar line, taking particular pains to urge importance of secrecy in interest of avoiding serious public dispute between two governments impairing constructive cooperation in other fields.[5]

COMUS Japan concurs with this message.

MacArthur

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[5] In telegram 1364 to Tokyo, December 21, the Department concurred in the negative response MacArthur had suggested to Fujiyama's request: "Consider argumentation excellent and have no suggestions for changes or amplification." (Department of State, Central Files, 794.5/12–2057) However, when MacArthur conveyed the U.S. reply to Fujiyama on December 24, Fujiyama, while promising to request Kishi and Ichimada to consider the U.S. view carefully, also reiterated the Japanese position and asked the United States to reconsider its views. (Telegram 1681 from Tokyo, December 24; *ibid.*, 794.5/12–2457)

254. Memorandum From the Director of the Office of Northeast Asian Affairs (Parsons) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)[1]

Washington, December 31, 1957.

SUBJECT

Reduction in Japanese Yen Contribution

Basis of Japanese Contribution and Agreed Formula for Reduction.

Article XXV of the Administrative Agreement provides that Japan will bear the cost of: (a) facilities and areas used by United States Forces alone or jointly with Japanese forces; and (b) transportation and requisite services and supplies in Japan, paid for in yen in an amount equivalent to $155 million per annum, "until the effective date of any new arrangement reached as a result of periodic re-examination". Annex G to the Agreement provides that the specific amount should be agreed annually by the two Governments.

The Japanese contribution has been gradually reduced as a result of annual negotiations. In order to provide for a systematic reduction as the Japanese forces were increased and to avoid acrimonious negotiations, a formula was agreed upon on April 25, 1956 (Tab C)[2] whereby the United States would accept a reduction in the Japanese yen contribution for each ensuing fiscal year equivalent to one-half of the increase in Japanese expenditures for its own defense forces for that fiscal year as compared to the previous year. The formula was applied for the first time in Japanese Fiscal Year 1957.

Japanese Request.

The Japanese have requested (Tab A)[3] that the United States agree to a further reduction in the Japanese contribution over and above that envisaged in the formula. For political reasons the Japanese Government is determined to hold the total defense expenditures to approximately 145 billion yen. If the United States agrees to a further reduction in the yen contribution in addition to that provided in the formula, it will be possible to increase the appropriation for the Defense Agency. The following table, based upon recent telegrams from our Embassy at Tokyo, compares the defense appropriation for JFY 1957 with the anticipated defense budget for JFY 1958 (April 1, 1958 to March 31, 1959), with and without additional reduction of 3 billion yen as recommended by Ambassador MacArthur (Tab B).[4] The table is in billions of yen (1 billion yen equals $2.8 million.)

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[1] Source: Department of State, Central Files, 794.5/12-3057. Confidential. Drafted in NA.

[2] Tab C not found attached. See Document 75 and footnote 3, Document 69.

[3] Tab A was telegram 1703 from Tokyo, December 30, not found attached. In telegram 1703, marked "For Secretary and Robertson" and passed also to CINCPAC for POLAD and to COMUS Japan, MacArthur reported that in a further meeting with Fujiyama on the yen contribution problem, the Foreign Minister had emphasized the government's vulnerability to Socialist attack on the issue and asked again for U.S. reconsideration of its position. (Department of State, Central Files, 794.5/12-3057)

	JFY–57	*Estimated JFY–58 Present Formula*	*Estimated JFY–58 With Reduction*
Defense Agency	101.0	112.0	120.0
Facilities for U.S. Forces	10.5	8.0	8.0
Contribution to USFJ	29.6	25.3	18.3[5]
Total:	141.1	145.3	146.3

Revision of Present Formula.

It would be possible to implement Ambassador MacArthur's recommendation through revision of the present formula to provide for a two-thirds reduction instead of the present one-half. The result which closely approximates Ambassador MacArthur's recommendations would be as follows:

	JFY–58 Computed by Revised Formula
Defense Agency	120.0
Facilities for U.S. Forces	8.0
Contribution to USFJ	18.6
Total:	146.6

The advantage of meeting the Japanese request in this manner is that it will continue to provide an incentive for the Japanese to increase their defense expenditures in order to phase out the contribution to the support of the USFJ and it will also provide a rational basis for explaining our action to the Congress—the more rapid withdrawal of USFJ than that anticipated at the time of negotiation of the original formula resulted in a revision in the rate of reduction in the yen contribution.

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[4] Tab B was telegram 1704 from Tokyo, December 30, not found attached. In it MacArthur recommended that the United States accept 3 billion of the 4 to 5 billion yen reduction suggested by Fujiyama. "At heart of matter is basic political concern that failure of govt to secure some concession from US will be tremendous political liability to conservatives in next election and to Kishi personally in his hopes to maintain and strengthen his hold on party leadership." MacArthur indicated that he had reached this conclusion after he and the Embassy staff had "canvassed at all levels of GOJ and LDP" in an effort to evaluate "political argument of Kishi and Fujiyama". (*Ibid.*, 794.5/12–3057)

[5] 21.3 as computed by formula minus additional 3.0. [Footnote in the source text.]

Recommendation.

That you authorize me to seek agreement with the Department of Defense, and the concurrence of Embassy Tokyo, to a revision in the present formula to provide for a two-thirds reduction in lieu of the present one-half reduction.[6]

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[6] Handwritten notations on the source text by Parsons indicate that Robertson approved this recommendation after discussion with Herter.

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255. Editorial Note

On December 31, Japan and the Republic of Korea signed understandings on a number of questions which had been at issue between the two countries. They agreed to exchange detainees, to resume general negotiations in March 1958, and to be guided in reaching a property settlement by a United States interpretation of Article IV (of the Japanese Peace Treaty) which the United States had presented informally to both countries. Documentation indicates that the United States was frequently active in urging talks between the two countries, and in making substantive suggestions, but that United States officials did not serve either as formal mediators or informal go-betweens during the 1955–1957 period. Principal documentation is in Department of State, Central Files 295.9411 and 694.95B.

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